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30 May 1980

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No. 2153

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ANDEAN PACT, EEC DISCUSS COOPERATION

PA091928 Paris AFP in Spanish 2019 GMT 5 May 80

[Text] Brussels, 5 May (AFP)--Sovereignty, territorial integrity and the independence of states, the rejection of violence or threats and noninterference are the principles which will guide the future relations between the Andean Pact countries and the European Community, it was announced here today.

A joint communique issued after the talks between the foreign ministers of the five Andean Pact countries and their nine EEC colleagues at the end of the work session held at the EEC headquarters describes the agreement. The nine-page document, which will serve as mandate for the negotiation of a cooperation agreement between the two regional organizations, includes a long series of concurrent positions.

The signatories especially confirmed their support for the government systems based on a pluralist democracy and emphasized the dynamic democratization processes which now exist in the Andean subregion. The foreign ministers reaffirmed their common desire to expand cooperation on the basis of equality, mutual respect and reciprocal advantages and emphasized the importance of the role of the Andean and European institutions in the harmonious development of integration.

The foreign ministers expressed their deep concern over the existing conflicts, which has been emphasized by the present wave of international terrorism. They condemned the attacks perpetrated against diplomatic missions and against the physical integrity, freedom and dignity of the diplomats.

On international economy, the two sides stated that the present situation is particularly difficult and agreed on the need to make a new joint and urgent international effort to deal with the essential matters. In their opinion, the framework for discussing the existing problems are the North-South dialogue, UNCTAD, the United Nations Industrial Development Organization, GATT, the IMF and other organizations with the objective of achieving a new international economic order. In this context the ministers emphasized, according to the document, the important contribution which can be made by



a new international development strategy in the framework of a third UN decade for development.

The signatories also concurred on the opportunity to facilitate commercial interchange to prevent protectionism which affects all countries and the developed countries in particular, and to support the restoration and re-organization of the world's economy through the development of international exchange.

However, there was disagreement on the interpretation of the results of the Tokyo round, which was satisfactory for the Europeans and to a certain extent discouraging for the Andean countries.

The ministers proposed extending future bilateral cooperation between the two regions beyond the framework of technical cooperation between institutions so that these will assume increasing importance for the economies of the Andean Pact member countries.

The ministers proposed extending future bilateral cooperation between the two regions beyond the framework of technical cooperation between institutions so that these will assume increasing importance for the economies of the Andean Pact member countries.

In presenting the document, the Andean countries' foreign ministers and Emilio Colombo, their Italian colleague and now president of the EEC's Council of Ministers, held a news conference in which they explained some portions of the declaration.

They spoke of the situation produced in specific cases of embassy occupations, such as in Iran and, particularly, what occurred in Bogota and in the Peruvian Embassy in Havana, said Colombo, although none of this was included in the declaration. However, the Colombian foreign minister omitted any opinion on these cases, confining himself to stating that he as well as his colleagues had jointly condemned them, just as they would condemn any violence against diplomatic missions or official representatives of countries.

Finally, Ecuadorean Foreign Minister Alfredo Pareja Diezcanseco, who is rotational president of the Andean Council, said that he and his colleagues are returning to their countries very pleased.

There was unanimity in attaching fundamental importance to the general cooperation agreement, the negotiation of which will perhaps begin tomorrow, after the European Council of Ministers gives final approval to the joint communique issued today.

CSO: 3010

HONDURAS REACTS TO NEW MIGRATORY POLICY BY NICARAGUA

Nicaragua Denies Journalist Entry

PA081606 Panama City ACAN in Spanish 1717 GMT 7 May 80

[Text] Tegucigalpa, 7 May (ACAN-EFE)--Col Leonel Alejandro Gutierrez Minera, Honduras' director general of population and migratory policy stated here today that Honduras will apply reciprocal measures in view of the new Nicaraguan migratory requirements.

This decision was made after the migration authorities at Sandino airport did not allow Honduran journalist Ramon Murillo Cantoral to enter Nicaragua last Saturday.

Cantoral, chief editor of the LA PRENSA newspaper, went to Managua to cover the installation of the Nicaraguan State Council by invitation of Nicaraguan ambassador to Honduras, Jose Leon Talavera.

The Honduran journalist carried a temporary travel permit issued by Honduras' Directorate of Population and Migratory Policy according to inter-Central American agreements.

Cantoral was told that the permit lacked a duly stamped photograph, an unnecessary requirement because of an agreement signed by all the countries of the isthmus, whereby any citizen of a Central American country may enter another with only a border pass if he is on a short trip.

According to Murillo Cantoral "they did not even allow me to make a phone call to the Sandinist press office which was aware of my arrival and had even booked me at a hotel."

The Honduran journalist was sent to San Jose, Costa Rica, on the same plane on which he arrived in Managua without any further explanation except for that of the photograph.

"If the Nicaraguan migration authorities have issued provisions requiring a photograph on temporary permits, Honduras will also require it from

Nicaraguan citizens with temporary permits who wish to enter our territory," Gutierrez Minera said.

#### Honduran Newsmen Lodges Protest

PA072235 Tegucigalpa Radio America in Spanish 2025 GMT 6 May 80

[Distributed by Inter-Central American Radio Organization]

[Excerpt] Repressive and intransigent acts of the Sandinist National Liberation Front (FSLN) are affecting the relations between Hondurans and Nicaraguans. Ramon Murillo Cantoral, a newsmen who works for the newspaper LA PRENSA of San Pedro Sula, has sent a note to the Junta of the Government of National Reconstruction protesting that he was expelled from Nicaragua and sent to San Jose.

CSO: 3010

POSSIBLE MASS EXODUS OF SALVADORANS TO HONDURAS DISCUSSED

Few Salvadorans Arriving Now

PA082356 Tegucigalpa Voz de Honduras Network in Spanish 1335 GMT 8 May 80

(Sercano Network)

[Text] Foreign Minister Eliseo Perez Cadalso has said there cannot be any talk of a huge flow of Salvadorans to Honduras because only a few persons have arrived here fleeing from the present conflict in their country. He said the Salvadorans will stay in Honduras temporarily. He said this country accepted them for obvious humanitarian reasons as we cannot interfere in the domestic affairs of another country. In the event of a huge exodus, they would be subjected to special legal and economic rules which we are studying now as a preventive measure, he added.

Regarding the date of the meeting to be held with Salvadoran Foreign Minister Chavez Nema and mediator Jose Luis Bustamante y Rivero, he said the tentative date is mid-May. We may have to postpone our meeting in view of the war situation in El Salvador. However, this will only be for a few days as we will not rest until we continue with the negotiations and achieve favorable results from them, the foreign minister said.

Perez Cadalso said the meeting of Central American foreign ministers will be held in mid-June. He said the pertinent agenda for the summit of Central American chiefs of state--if they decide to hold it--will be drafted during this meeting.

Regarding the Nicaraguan refugees situation, he said it remains the same. He said over the past few months Honduras has received international aid to help support all these people but that the problem remains unchanged. He stated: We are trying to solve this problem in the best way possible because we want to give them our hospitality as neighbors and brothers. However, we must first take the defense of our country's territorial integrity and the democratic order into account.

### Preparations for Exodus

PA100051 Tegucigalpa Radio America in Spanish 1837 GMT 8 May 80

[Distributed by Inter-Central American Radio Organisation]

[Text] The government of the armed forces is considering the creation of legal and financial measures to face a possible mass exodus of Salvadorans into this country.

The matter was reported yesterday by Foreign Minister Eliseo Perez Cadalso, who explained that these steps are precautionary.

The minister of foreign affairs commented that persons who have fled because of the political situation prevailing in their land will remain in Honduras temporarily and will receive the humanitarian treatment they deserve. He remarked that, God willing, the number of refugees will not increase although he admitted that it could if the situation worsens beyond the Goascoran [River].

The announced meeting with Salvadoran Foreign Minister Dr Fidel Chavez and mediator Jose Luis Bustamante y Rivero, scheduled for mid-May in Lima, Peru, has had to be postponed a few days more because of the political situation in El Salvador, the minister pointed out.

He regretted that in the case of a very poor ambassador, many of the reporters twisted his statements. Consequently, he said he would abstain from commenting on the particular case of Armando Velasquez Cerrato who, being the ambassador of Honduras in Spain, has continued to be active in this country, even working on politics.

On the issue of Nicaraguan refugees, the foreign minister said despite the aid received during the past few months, the problem created by these people exists, mostly because of the large amounts that must be spent to support them. However, he said that this difficulty is being solved in the most adequate way due to the hospitality we must offer as neighbors. We are, however, maintaining the defense of our territorial integrity and national democratic order.

CSO: 3010



## ECONOMIC TEAM FACED WITH WORST CRISIS SINCE 1976

Buenos Aires CONVICCION in Spanish 23 Apr 80 p 16

[Article by Ricardo Fernandez Gola: "Pragmatism and Dogma in Crisis"; passages enclosed in slantlines printed in boldface]

[Text] Behind the facade of tranquillity that reigns in the Ministry of Economy--experienced men, those responsible, know how to maintain a smiling and optimistic image in spite of storms--strong electric currents travel these days between the offices of the members of the group headed by Dr /Jose Alfredo Martinez de Hoz/. The economic team daily faces its worst crisis, even in potentiality, since 2 April 1976 and for simple enough reasons: reality greatly surpasses estimates and "pragmatism," an apt tool to correct slight problems, is no longer enough.

The stack of statements and analyses published recently seems to demonstrate that the definition of "temporary crisis" or "structural crisis" depends basically on the political leanings of the analyst or declaimer. /The economy has proven to be much more than the simple administration of numbers/. Men's attitudes play a fundamental role and experience shows that in Argentina today there is not--on the average--a class of businessmen capable of meeting the challenge of a suddenly open and competitive economy.

Within this framework which is certainly not merely anecdotal--look at the textile industry or the management of the /BIR/ [Regional Exchange Bank] or /Promosur/ to mention only a few cases--two independent crises converge: /the recession produced by the anti-inflationary process and financial fear/.

One is not the cause of the other, neither specifically nor in general, but they merge to produce a lack of confidence in the total plan. Therefore, the same day--Monday, 21 April--when the /minister of economy/ stated that the bankruptcy of the BIR /"does not affect the economy at all"/, the stock market fell sharply, not for interested or whimsical reasons but for the general lack of confidence motivated by that. It is known

that this can produce a catastrophic chain reaction: banks that topple enterprises, enterprises that in turn topple other financial entities and so on, "ad infinitum."

Mistakes in calculations in this area are very expensive; for example, the consequences of the liquidation of the BIR. Based on the experience gained when /Promsaur/ closed, /Central Bank/ waited--as was clearly stated--for a certain "positive readjustment" of deposits, the first step toward the conversion of the elephantine Argentine financial system. In order to ease any circumstantial problem, circular RF 1051 was promulgated to provide funds--very expensive to avoid excesses--to those entities that remained without cash temporarily because of the "readjustment." Two reports about two banks--the list then expanded to a dozen entities--that were about to follow in the footsteps of the BIR were enough to spread panic and all predictions collapsed.

A short while ago, Minister /Martinez de Hoz/ completely discarded the idea that the state help the enterprises in trouble in different ways. /"If we invented mechanisms for subsidies, we would commit a great injustice to those who manage their industrial enterprises and banks well. Once a subsidy is granted, the tide would swell because everyone would want it, arguing that we already gave it to some"/.

That is /a very valid philosophical statement/ but, facing the present crisis, it is unrealistic. The coming days might reveal, not the classic "pragmatic" action of the economic team, but real juggling to ease the storm or, in the worst of cases, to delay the consequences. The state could not only consolidate business debts but also acquire part of the loan portfolios of overcommitted banks to give them the necessary cash and assist their readjustment through official banks with extra cash--the result of the "run" on deposits.

One thing became a conviction at the /Ministry of Economy/; time is working against it and anything that is done must be done quickly.

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CSO: 3010

CAVIC LOSSES MIGHT RESULT IN ITS LIQUIDATION

Buenos Aires CLARIN in Spanish 19 Apr 80 pp 22-23

[Article by Juan Carlos Bataller: "'D-day' for CAVIC"; passages enclosed in slantlines printed in boldface]

[Text] San Juan--/D-day/ has arrived for CAVIC [Wine Manufacturing and Sales Agricultural-Economic Corporation]. The assembly of delegates that will consider the statement, balance and appointment of members of the future board of directors of the enterprise will be held today in accord with Law 3933 which regulates its operations.

The 107 delegates elected by the private sector and the 2 appointed by the official sector will participate in the assembly. It is assumed that the statement and balance will be approved although there will probably not be unanimity.

We said at the beginning of the article that "D-day" has arrived for CAVIC and that deserves an explanation. We are supplying the following facts so that the reader will have a picture of the situation.

a) The balance indicates that the losses for the fiscal year rose to 36,311,203,672 pesos which translates to a more understandable figure of slightly more than 3.5 billion old pesos.

b) As the statement indicates, "this sum absorbs the net assets of the enterprise as a result of an irrational, speculative and disorganized administration."

c) CAVIC's fiscal year ended in September 1979. The present liabilities of the corporation--it is necessary to add interest to the losses--is estimated at around \$70 million.

d) The debt accumulated during the time when the enterprise was intervened by the state. Those administrators responsible are presently being tried by the federal courts. The former interventor, Col /Hector Adolfo Delfino/.

and the manager, engineer /Claudio Tinto/, have been held since January of this year in Federal Police offices; the Federal Court of Mendoza has refused to release them.

e) Although the matter will not be decided today, the national government has established its position concerning CAVIC. /First, the debts will be paid and then the private sector will have to choose one of the following solutions: denationalization in accord with one of the systems in Law 19,550 or liquidation/.

f) CAVIC is now a joint enterprise. According to what has been learned, after that assembly the government would dictate a law establishing the means for denationalization.

g) The producers in the province--CAVIC includes 12,500 winegrowers--agree on one point: /they want control of the enterprise. Opinions are divided on denationalization although a great majority wants to maintain the joint enterprise structure because of the work CAVIC does, especially at this time when the management concentration has left the power of decision on winegrowing in very few hands/. Nevertheless, given the option of denationalization or liquidation, they would choose the former since it should return to the law of establishment, Law 3019, which the state does not accept either. It should be pointed out that the producers do not agree at this time that the state should leave CAVIC to its fate.

h) All the people in San Juan agree on one point: /CAVIC's debt must not be paid with the provincial budget/. If the national government puts the producers in a dilemma, it should also contribute solutions. According to what was learned last week, the liabilities would be paid with credits whose amortization would be up to the province. These credits would be partly in dollars and partly in Argentine currency. There would be 2 years grace with amortization in eight annual payments. According to what has been said, that credit would commit 8 percent of the national participation funds, a luxury that the tight provincial budget cannot afford.

i) As a final fact, we can point out that every type of conjecture and speculation has been made about CAVIC's situation and its future. Some revolve around the political decision and others emphasize legal aspects.

/Today's assembly will not determine denationalization or liquidation but it will give a more complete idea of the role that the parties will play and thus is important/.

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FURTHER PRESS COMMENTARY ON BIR CLOSURE

Total Collapse Prevented

Buenos Aires LA OPINION in Spanish 19 Apr 80 p 11

[Text] Alberto Ferro, president of the Federation of Cooperative Banks of Argentina, stated that Central Bank's intervention which facilitated resources to those institutions whose deposits decreased prevented "a real collapse."

He warned, however, that there might be problems for some enterprises because that advance of funds "is very expensive."

Ferro gave those opinions at a press conference in which he announced that the heads of the Argentine cooperative banks will meet in Mendoza today to analyze the economic and financial situation and prepare the agenda for the First International Meeting of Cooperative Banks to be held in Buenos Aires next 20-22 May.

Asked about the present financial situation, Ferro said: "We are optimistic because we believe that the impact of the liquidation of two such important enterprises as the BIR (Regional Exchange Bank) and the Promosur finance company is over."

He pointed out that it is important to show the public that "having the most deposits is not synonymous with strength." It only means that "through publicity or the high rates paid, savers are given incentives to place short-term deposits there."

Ferro stated: "In every financial enterprise, money has two faces: on one side there is what is paid to the saver and on the other side what is collected from the person who borrows that same money plus an intermediation charge."

He added: "My impression is that the sensitivity with which the Central Bank responded to this problem--facilitating resources to those with decreased deposits--prevented a real collapse." However, he warned: "There



might be problems for some enterprises because that rediscunt or advance of funds is expensive."

#### Trozzo's Extradition Demanded

Buenos Aires CONVICCION in Spanish 19 Apr 80 p 12

[Text] A lawyer yesterday asked in court for the arrest and extradition of Jose Rafael Trozzo, last president of the dissolved BIR, in a complaint that he initiated against the board of directors of that enterprise for alleged economic subversion, according to legal sources.

Attorney Raul Rascovsky presented the petition to Judge Juan Bautista Sejean. The brief gave the present address of Trozzo as New York City, United States.

Rascovsky, an investor in dollars who was thought to be hurt by the liquidation of the BIR, maintained in the complaint that Trozzo committed the crimes of swindling, fraud, fraudulent bankruptcy, falsified accounting and economic subversion.

Judge Sejean is hearing this case in Dr Domingo Mauricio Acuna's office. As a procedural measure, he imposed strict secrecy on the hearing after receiving a number of requests for information from Central Bank.

Rascovsky had also requested a preventive embargo on the bank to guarantee his deposit in dollars. Since Judge Sejean refused to hear that request, the lawyer appealed to the court which will set a hearing date next week.

The liquidation of the BIR led to this complaint in criminal court and a simultaneous request for bankruptcy in commercial court. Jurisdiction is being decided now.

The request for bankruptcy could have been rejected at the outset, in principle, by application of the Financial Entities Law which only permits action by Central Bank with permission of the courts in the 180 days after liquidation.

#### Minister Advocates Legal Action

Buenos Aires CONVICCION in Spanish 16 Apr 80 p 1

[Passages enclosed in slantlines printed in boldface]

[Text] "All the international bankers /took the bankruptcy of the BIR as an example of seriousness in the application of the law and in the correction of its application"/, stated /Jose Alfredo Martinez de Hoz/, minister of economy. He also said: /"Those allegedly responsible for the financial collapse of the BIR will be taken to court if their participation in the irregular administration of that institution is proven"/.

He added: "We have a judicial system to follow so that all responsibilities for bank administration that arise will be subject to the appropriate legal treatment at the proper time after the investigations."

The minister of economy is participating in the 21st Assembly of IDB Governors in Rio de Janeiro. He made these statements there; the whole country hopes they will be carried out.

### Revolution of Old Leading Class

Buenos Aires CONVICCIÓN in Spanish 20 Apr 80 p 1

[Article by Hugo Ezequiel Lezama: "Financial Collapses Are Part of Revolution of Awakening Class"; passages enclosed in slantlines printed in boldface]

[Text] A huge, dark "storm front" hovers over the /"city"/. Businessmen predicted last week that the /"BIR case"/ is only the first of a series of /inevitable collapses that will topple other banks and at least three well-known and publicized business groups"/. That is likely. On Friday, overseers arrived at one of the banks ready to close and Central Bank is preparing to face the costs of the financial collapses.

The strange thing is that these same businessmen will ask: /How did Martinez de Hoz fail/? Bemused by daily circumstances, they do not seem capable of viewing the phenomenon objectively and realizing that /Martinez de Hoz has not made a mistake/. On the contrary, /he is leading a social and political revolution of the greatest importance designed to regain power/ (which includes ownership or control of money because, without it, there is no power for long) /for a social class that had lost it/.

Thus, /Martinez de Hoz/ is merely the head of an extraordinarily homogeneous team which is proceeding with rare conviction and discipline.

### Lustful Ancestors

The economic team is made up (to a high degree) of members of a social class that /was the leading class because it founded the country/, fought and won the wars of independence, politically organized the republic and gave it a great push with the bustling "generation of the 80's."

Later, a member of that class, /Roque Saenz Pena/, promulgated—against strong opposition—the law that carries his name and, with it, opened the gates to power for the children of immigrants.

/The final stage of decline/ of that leading class began at that time and /culminated in 1945/ when it finally lost the handle with /Peron/. Nevertheless, this is not enough explanation. That class was /progressively dislodged/ but not merely by the numerical pressure of the immigrants' descendants. It must be remembered that, since the end of the last century,

the /power/, the /wealth/, the /snobbery/ and the /love of luxury/ softened those in command. In this way, the /power/ was lost and the /wealth/ became less and only the tendency toward /snobbery/ and /love of luxury/ remained.

When those native gentlemen who knew how to tame horses and speak French traded in their horses for reservations at /Moulin Rouge/, the decline began. Who has not had a lustful ancestor who traded his ranches for the living version of a /Toulouse-Lautrec/ poster?

Curiously, again in the 80's--but a century later--the impoverished and wronged descendants have decided to regain control of national affairs--that is, to regain their lost quality as leading class for which they must first regain possession or control of money. Even assuming that their activities are not consciously planned, they are fighting a /real revolution, the only thing that can be called a revolution in the Process until now/.

#### No "Gatopardism" in Economic Team

They are not trying /to change a little so that everything remains the same/. It is a matter of /effectively changing everything so that everything remains the same as a century ago/.

The bankruptcy of banks and finance companies /is not a mistake/ in the thinking of the economic team; it is a necessity. It is not an accident that the emphasis of the leadership is placed on money and there is a certain indifference for industry. First there was a publicity explosion on financial matters and even maids bought dollars and talked about stocks. That produced a proliferating explosion of banks and golden calves. The public turned to speculation with a somewhat immoral greed, partially instigated by an economic administration that abstained from exercising educational influence.

The second stage is the present one. Now the financial explosion, left to its own dynamics, complies with the biological principle of /survival of the fittest/. The weak will die. In that way, an important concentration of money (power) will be achieved in the hands of a few, in the hands of the new leading class--that is, the old leading class reborn.

Thus, we will not notice if the /Mortgage Bank/, the old /National Postal Savings Bank/ and the /National Development Bank/ disappear tomorrow because even the most intransigent maintain that the /Bank of Argentina/ should be denationalized. It is not necessary to get too upset. The /United States/, for example, does not have an official bank.

If these objectives were achieved, the money would remain concentrated in the foreign banks that operate now and will operate in /Argentina/ and in a few local banks of traditional solidity and importance where the economic team has good friends.

## Underlying Mafia Tendency in Everyone

There is nothing intrinsically bad in the fact that a close human group organizes as /leading class/, especially if we keep in mind that plaintive voices have been heard for some time complaining about the absence of a /leading class/. After all, it is nothing other than the expanded reflection of the human tendency to belong to "Mafias" or /clans/. A soccer team is one and so is a political party.

We have ephemeral and incomplete examples in our recent history: the first /"cursillo movement"/ and /Opus Dei/ after they had influence on different governments. It does not seem unlawful, facing the real and disheartening absence of leaders, for the descendants of those who were in the leading class to try to fill that vacancy.

The problem could lie in what their objectives are after the complete takeover of power; that is, what national model they will propose to a disillusioned country, totally lacking in faith in the authorities and corrupted by the political pathology of the last 40 years.

It is not serious that they operate as a /clan/; they have demonstrated that they are not insensitive to social mobility because they admit some immigrant offspring to their ranks. It can be very serious, though, that the way they look at the country is based on a model from the past century although they are trying to put it into effect with the most modern techniques of the 20th century.

The subject necessarily involves Christian morality: savage and efficient capitalism or ethical capitalism, distributing according to merits, but with slower and less controllable results--that is, a rich country with a very rich minority and a very poor majority or a poorer country with less poor inhabitants. It is obvious that these dilemmas are based on an exaggerated summary but the truth is not far off. What option will be carried out is still unknown. This does not depend on our will but on the will of the /armed forces/ which are responsible for the /Process/.

7717  
CSO: 3010

DAILY SEES CHANCE OF CIVIL WAR IN JAMAICA

FL091410 Kingston DAILY GLEANER in English 3 May 80 p 1

[Text] Bridgetown, 2 May (CANA)--In its editorial today, the nation newspaper asserted that Caribbean people must continue to worry over the future of Jamaica.

The paper expressed the fear that the violence there could escalate into "a civil war of a type we have never seen in the Caribbean."

"The eastern Caribbean does not have a history of political violence of the magnitude of Jamaica, and for that reason it may be difficult for us to imagine the mood of Jamaica as it prepares for its most bitter election exercise the paper said.

"It is going to be bitter because the traditional rivalry between the two major parties--the Jamaica Labour Party (JLP) and the People's National Party (PNP)--has extended itself beyond the realm of the old personality differences...into a serious ideological battle."

The paper said that since the 1976 general election, the economy had collapsed. "Three years and 300 million dollars (US) after the entry for the IMF (International Monetary Fund) into Jamaica in 1977, the quality of life of the average Jamaican showed no improvement: major sectors of the economy showed only temporary and partial recovery and morale of the people remained very low," the paper said.

The nation said it is now evident that elections will be held this year, but "no date as yet has been announced, yet we continue to get reports of incidents where both parties are involved in blood-letting exercises."

"The election polls conducted in Jamaica indicate a very definite swing away from the ruling party. The well-established Carl Stone Poll recently (March) found that the JLP leads by 56.6 percent over the PNP's 43.4 percent in popular support.

Another poll conducted for the daily news and the Jamaica Broadcasting Corporation shows that in that same month the JLP enjoyed 57 percent support



to the PNP's 40.7 percent backing. Manley may be waiting for a miracle to save him from the jaws of political death, but the days of political miracles are over."

The paper called on Prime Minister Michael Manley to call early elections "... before hundreds more innocent Jamaicans lose their lives on the altar of a power-hungry political failure."

CSO: 3020

# OFFSHORE BANKING CENTER TO ATTRACT PETRODOLLARS

FL101415 Bridgetown ADVOCATE-NEWS in English 7 May 80 p 1

[Text] Barbados' Prime Minister Mr. Tom Adams, said yesterday the nation was getting an off-shore banking centre to attract some of the "enormous business" created by petro dollars that were being held outside the United States.

Speaking to reporters on his return home from a tour of Europe and North America to sell the island as an off-shore banking centre, Mr. Adams defended his government's decision and said criticism by the Barbados Workers' Union (BWU) was based on "ideology and ignorance."

The union had expressed fears that some of the money coming into the country would come from "unsavoury sources."

Mr. Adams said: "...I think that the union has not caught up with the fact that there is something like \$400 billion outside the United States held by persons who have no interest in repatriating that money to the U.S. This is the whole volume of petro dollars and the earnings of American exporters outside America. This money has to be lent out somehow.

"It is no use the Arabs charging \$35 per barrel for oil if when they get \$35 all they can do is put them under the pillow. ...It is essential to have vehicles for recycling petro dollars and this is the essential purpose that off-shore centres have served for the last five years."

He recalled how Barbados had to borrow Euro dollars from off-shore banking centres in the Bahamas and the Cayman Islands to bail the government out of the serious financial trouble caused by the 1973-74 oil crisis.

The prime minister also used the example of Brazil, which he claimed is one of the fastest moving countries in the world today, having "an enormous appetite" for borrowing from banks in off-shore centres.

"And just as we give services of all sorts--services to tourists, to international business companies--we are now offering services to international banking in the hope of attracting some of the enormous business which the increase in the price of oil has created in the world," he added.

Mr. Adams could not say exactly when the centre would get going or how many banks would be involved, but he indicated that the promotion tour had been greatly rewarding.

He said that already a substantial number of banks and corporations in North America had started seeking application forms and other assistance in forming an off-shore banking company and trust corporation in Barbados.

In reporting great interest in London and tremendous interest from potential banking business in Canada, he said: "I certainly confidently expect one or more Canadian banks to be in the off-shore banking business within the next few months."

Mr. Adams said the German leg of the tour also had produced very useful contacts with a bank and industrialists. But the Barbados move has the greatest support in the U.S. where there is a large number of businesses and corporations of one sort or another that showed keen interest in the off-shore financial rating.

He said the government hoped to take action soon on setting up the centre but there had to be a short amendment to the new off-shore banking act. A bill to amend the act was laid in the House of Assembly yesterday, and given its first reading.

He explained that the amendment was necessary because "we did not provide at first for the major international banks to be represented in the off-shore banking centre by branches. We provided that subsidiaries would have to be set up with minimum capital of a million dollars.

"We think that as a result of off-shore that there is a very good case for allowing the real major international banks to have branches in Barbados and rely on the capitalisation of their head offices in New York, Toronto, London and Frankfurt and that in their cases it ought not to be necessary to insist on subsidiary companies being set up locally."

Mr. Adams said that the new off-shore banking centre would mean about three to four thousand new jobs. He pointed to the Bahamas situation which led to the creation of employment and said that presently more Bahamians were employed in off-shore banking than in tourism.

He hinted that along with off-shore banking in the island there would be a need for off-shore insurance companies.

CBO: 3020

ST. JOHN ADDRESSES SCIENCE, TECHNOLOGY SEMINAR

International Relations System

FL101020 Bridgetown ADVOCATE-NEWS in English 6 May 80 p 2

[Text] The new international economic order requires a restructuring of international relations. And the self-sustained and autonomous development growing out of it should reduce international inequalities.

Barbados' deputy prime minister, Mr. Bernard St. John, made this observation yesterday in his opening address of the fourth Caribbean seminar on science and technology, at Dover Convention Centre, Christ Church.

He said however, that it was obvious, that there was but marginal, if any, progress in the restructuring of international relations and consequently, the promotion of science and technology for developing countries was suffering.

"If, however, the United Nations Conference on science and technology did nothing else but provide the framework and focus within seminars such as this, it can still be considered as useful," Mr. St. John observed.

He said that there was a need for continued dialogue between developed and developing countries and among developing countries on practical approaches to the development of science, and the application of technology for development.

"The development and application of science and technology by man to his environment is a continuing process. It has brought man from the cave to the industrial revolution, and has enabled him to reach the moon," the deputy prime minister added.

He said further, that where science and technology had been developed and applied to significantly affect the environment, economic growth has been the result.

According to Mr. St. John: "Where science and technology has not been developed and applied to significantly affect the environment, economic stagnation and underdevelopment has been the result."

He said that the developed countries of the world, were those with a history of development and application of science and technology.

The deputy prime minister explained that those countries had introduced modern productive techniques which were self-sustaining.

He added that the result had been the continuous widening of the gap between developed and developing countries.

"We of the developing world," he said, "cannot be critical of the quantum and spread of technology which the developed countries have marshalled over the years. We have all benefited from the application of this technology in immeasurable ways."

He added: "What we do say is that it is now in the interest of the developed countries to share the technology they have developed, and assist and facilitate the efforts of developing countries to achieve development through the application of appropriate technology to their environment."

Developing countries he said, could not attempt to reinvent the wheel.

It would be an inappropriate use of their limited financial and trained manpower resources, Mr. St. John added.

He said that moreover, the legitimate operations of their people would not permit such "a time-consuming and wasteful exercise."

"Consequently, the mechanism must be developed to permit scientific and technological information flows between countries and particularly between developed and developing countries," Mr. St. John noted.

#### New Energy Sources

FL101030 Bridgetown ADVOCATE-NEWS in English 6 May 80 p 1

[Text] Conscious of the urgent need to develop indigenous resources of fuel, the Barbados Government has given high priority to the exploration and production of hydro-carbons in recent years.

This was yesterday stated by Barbados' acting prime minister, Mr. Bernard St. John, in his opening address at the fourth Caribbean seminar on science and technology, at Dover Convention Centre, Christ Church.

He added that further oil and gas discoveries had been predicted, which, if they materialise, would enhance Barbados' future energy situation.

The deputy prime minister also said that a seismic study and a continuous drilling programme were under way to better determine and assess the extent of the available oil and gas reserves.

Mr. St. John also said that it had been recognised early, that efforts to increase hydrocarbon production must be complemented by similar efforts for the development and utilisation of nonconventional and renewable resources.



"Several initiatives have been taken in both the public and private sector to determine the possibility of developing various alternate energy sources," he added.

He said that initial studies in solar and wind energy, the utilisation of bagasse for electricity generation and alcohol production had been carried out or were currently under way.

In addition, the acting prime minister said that various pilot projects had been established and others were under active consideration.

Mr. St. John also said: "The government itself has taken the initiative in the development in the non-conventional sources of energy by providing fiscal incentives for private enterprise and by designing two of its public buildings to utilise solar energy."

He said too that since 1973, the ever-increasing cost of fuel had tended to frustrate, slow down and cancel priority projects in the non-oil developing countries.

According to Mr. St. John, the major challenge to the continuation of economic progress in Barbados was the increasing cost of petroleum products and the uncertainty with regard to the availability of future supplies.

"Barbados, like most other Caribbean countries, is a net importer of energy. Since the 1973-74 energy crisis, and more markedly since 1978, a new awareness has arisen of the constraints on development programming which the energy problem poses," he added.

CSO: 3020

## PLANNING MINISTER DISCUSSES DEVALUATION, RECESSION, WAGES

## Delfin Denies New Maxidevaluation

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Apr 80 p 35

[Text] Rio de Janeiro--Yesterday in Rio, Planning Minister Delfin Netto denied any possibility of changing the currency-exchange policy, asserting that exporters have no reason to complain, since the maxidevaluation of the cruzeiro left them ample margin for profit. According to the minister, "it is foolish to think that we shall have a new maxidevaluation, for we already have an enormous margin in the parity of currencies, even with inflation and the appreciation of the dollar on the international market."

Delfin Netto also denied the prospects for a recession--"at least, it is not among our intentions"--and emphasized that "in Brazil an annual growth of 4 percent is already considered a recession." The planning minister declared that inflation will drop in the second half of the year "and that, until that time, we must wait with confidence, for we have a good chance to arrive at the end of the year with about 50-percent inflation."

In a nervous interview interrupted by outbursts by management people, Delfin Netto said that "to know the precise date when inflation will begin to drop, we need to consult a medicine man." A newspaperman asked: "But are you not the medicine man responsible for inflation? And the minister answered: "I prefer to be considered a scientist."

Asked if President Figueiredo had given a definite time period, until October, for the problems of the balance of payment and inflation to be resolved, the minister answered with another question: "President Figueiredo is here (in Rio); why not ask him that question?"

As for the new series of measures announced last week, Delfin Netto said that the main one has already been revealed by President Figueiredo--namely, exemption from income tax of firms with invoicing up to 2 million cruzeiros and other relative to procedures in the accounting and debureaucratization regulations. The rest of the measures to be announced pertain

to the tax on financial operations (IOF). Meanwhile, the minister denied that there were any intentions of assessing capital gains made in the stock market.

Delfim Netto stated that the measures taken to debureaucratize small firms will be substantial and that exemption from income tax and from the IPI [Finished Goods Tax] will not affect the union's income, since the collection loss is only 0.5 percent, even though this measure reaches 60 percent of Brazilian firms. He also stated that the episode involving the elimination of the export tax from soybeans has already been transcended and that the objective of that tax was not to guarantee income for the union but, rather, to support prices on the international market.

With reference to the wage policy, the planning minister said that certain ideas are being considered to improve the law and that, among these, regionalization of the INPC [National Institute for Scientific Research] will certainly be analyzed. He also stated that when the INPC was adopted it was supposed that regional differences were minor but that it was now becoming apparent that there are significant dissimilarities among the regions.

#### Government Denies New Maxidevaluation

Rio de Janeiro O GLOBO in Portuguese 19 Apr 80 p 16

[Text] Brasilia--The Central Bank disclosed yesterday that it was not surprised at the new speculations about a possible new maxidevaluation of the cruzeiro of about 15 percent, speculations orchestrated by exchange manipulators. According to information received, regional branches of the Central Bank are observing these speculations in the exchange sector from day to day.

Central Bank experts are even using police intervention to detect the sources of these rumors in the exchange area, since they are causing serious disturbances in economic transactions and are affecting decisions to be made by business people. In their opinion, a new maxidevaluation in the exchange area is "absurd" at this time.

8568  
CSO: 3001

## INFLATION, HIGH INTEREST RATES, WAGES DISCUSSED

### Galveas Foresees Lower Inflation

Rio de Janeiro O GLOBO in Portuguese 13 Apr 80 p 33

[Text] After a preparatory meeting of the 11th Assembly of Governors of the IDB, Treasury Minister Ernane Galveas said yesterday he believes that the rate of inflation will be substantially lower this month than in March when it reached 6.6 percent.

Galveas stated that the \$1.5 billion drop in Brazil's foreign-currency reserves during the first quarter was caused by a trade deficit of about \$1 billion and also by the fact that Brazil was almost completely out of the international financial market due to the high interest rates.

Despite this unfavorable result, the treasury minister believes that the country will finish the year with its trade balance equalized at about \$20 billion, "principally because the \$1 billion deficit is, among other things, the result of reduced coffee and soybean exports."

### Interest Rates

Ernane Galveas is optimistic about a reversal of the soaring trend in international interest rates, asserting that it is anticipated that, within the next few months, those rates will drop from their current 20 percent level to 12 percent.

In the treasury minister's opinion, one of the factors which may contribute to this drop is a return of Japanese banks to the international financial market, since they can only lend 20 percent of their capital and reserves at present.

Although he declined to comment on a possible change in the government's wage policy, Galveas repeated the arguments put forth by Planning Minister Delfin Netto to the effect that wage adjustments contributed to the high rate of inflation in March.

## Inflation Exceeds Forecasts

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Apr 80 p 19

[Text] Rio de Janeiro--The rate of inflation was 6.6 percent in March, thus exceeding forecasts made by government officials and even by experts of the Getulio Vargas Foundation (FGV) who foresaw an increase of 5.6 to 6 percent, whereas the government officials anticipated an increase of less than 5 percent.

The March inflation rate was surpassed only twice during the past 12 months, reaching a record 7.3 percent in December and 7.7 percent in September 1979. In March 1979 the inflation rate was 5.8 percent, less, therefore, than the same month of the current year. From January to March 1980, the cumulative inflation rate reached 18 percent.

Inflation has reached the astonishing rate of 83.8 percent in the last 12 months, thus approaching the 1964 level. Julian Chacel, director of FGV's Brazilian Institute of Economy, declined to comment on the factors responsible for the reactivation of inflationary pressures. "Spare me this," he asked and then advised reading the communique on the price indexes.

The communique tries to minimize the government's responsibility with regard to the intensification of the inflationary process, attributing the inflationary pressures to management and labor. According to FGV's memorandum, "despite all the government's effort, the avaricious desire of the business leader to take advantage of the expansion ceilings established by the financial budget and wage adjustments, which, in addition to the new 6-month scheduled adjustment, are adding a supposedly technical factor transformed into political value, are helping prevent a reversal of the outlook on future inflation."

The communique, normally written by Chacel himself, recognizes that the "increase noted in March (6.6 percent) is again serving to keep inflation spiraling, since, in March 1979, the inflation rate was 5.8 percent.

"Meanwhile, inflationary pressures are more clearcut if we analyze the Wholesale Price Index (IPA), which, in addition to being obtained on the basis of a national survey, contributes to a greater extent in making up the General Price Index which, in turn, is an indication of inflation. While the IPA has a factor of 6, the price index to the consumer (cost of living) and that of civilian construction, both limited to the city of Rio de Janeiro, have factors of 3 and 1 respectively.

"The March IPA was 6.5 percent, therefore substantially higher than that of February (3.7 percent). The record highs of the IPA were chalked up in September 1979 (8.3 percent), December 1979 (7.2 percent) and January 1980 (7.2 percent). From January to March, the IPA's cumulative rate came to 18.4 percent, while, in the last 12 months, it reached 87.6 percent."



NATIONAL RELATIONS WITH EEC VIEWED AS PROMISING

Rio de Janeiro JORNAL DO BRASIL in Portuguese 13 Apr 80 p 21

[Text] Ambassador Walther Moreira Salles, chairman of the Administrative Council of the Unibank Group, said yesterday in Hamburg, Germany, that the prospects for good relations between Brazil and the EEC are very bright. According to him, in 1979 the EEC participated in Brazilian foreign trade in the amount of 23.3 percent in both directions, more than the United States (18.6 percent) and the LAFTA countries as a whole (14.2 percent).

At the opening of the Fifth German-Brazilian Economic Conference yesterday in Hamburg, Ambassador Moreira Salles received the 1980 Visconde de Cayru award, granted by the Editorial Board of Index-Data Bank, for services rendered in improving economic-financial relations between Brazil and the EEC. The award was presented by Brazilian Minister of Industry and Trade Camilo Penna.

In his speech, Ambassador Salles mentioned that the EEC's participation in Brazil's overall exports--29.5 percent--was higher than that of the United States (19.3 percent) and that of the LAFTA countries (16.3 percent) and that, with regard to imports, the distribution was 18.1 percent for the EEC, 18 percent for the United States and 12.5 percent for the LAFTA countries.

The Unibank administrative-board chairman pointed out that 10 years ago the EEC ranked first among the purchasers of Brazilian products, while "our imports continued at a regular and constant rate with the FRG as the principal Brazilian market with a quarter of our exports and 41 percent of our imports."

Despite the figures given, he emphasized, "we are far from exhausting the potentialities offered in that relationship." In his opinion, it is urgent that we broaden trade relations and cooperation with the EEC, particularly when it becomes larger with the admission of new members. In Ambassador Salles' opinion, exports from developing countries like Brazil, do not disturb the markets or increase the rate of unemployment in industrialized

countries. "Protectionism," he stressed, "is not a solution to the problem of competition and is harmful to the development of trade and industrial structures."

Concerning the current profile of the Brazilian economy, the Unibank chairman mentioned in the way of illustration that our country has had a historic annual economic growth rate of about 7 percent for more than 3 decades, substantially higher than the population growth rate and that, in the last 10 years, investments have amounted to more than 20 percent of its GDP, to the extent that, in 1979, investments and foreign reinvestments exceeded \$16 million.

He pointed out that, although the 1979 inflation rates were high, it should be considered that this year's prospects are much better, since the government is reducing the deficit of the state budgets and has controlled the issuance of currency and that, in addition to the fact that the current agricultural crop is exceptional, it is certain that there will be some slowing down in the increase of prices with undeniable benefit to the balance of payments.

8568

CSO: 3001

**CACEX DATA REVEAL \$1.2 BILLION DEFICIT IN FIRST QUARTER**

**Dim Prospects for Trade Balance**

**Rio de Janeiro O GLOBO in Portuguese 6 Apr 80 p 33**

[Text] Despite moderate exportable agricultural surpluses and repeated government appeals to exporters of manufactured products, prospects for a favorable trade balance in Brazil this year (relationship between exports and imports) are not very bright.

Based on the results of the first 2 months of the year published by the Bank of Brazil's Foreign Trade Department (CACEX), it is easy to foresee that the deficit in the country's foreign trade will exceed \$1.2 billion in the first quarter compared with \$396.6 million in the same period of 1979.

According to figures compiled by CACEX for the 12-month period, March 1979 through February 1980, the country's trade deficit reached \$3.3 billion compared with \$2.7 billion for the whole of last year.

**Difficulties**

According to official estimates made at the beginning of the year and considering the rise in foreign oil prices, the trade balance at the end of December will allegedly end up without a deficit for the second time since 1974, exports being \$20 billion and imports the same.

When these projects were being made, soybean quotations on the world market were on the rise. With the certainty of a heavy crop, it was anticipated that foreign currency received for that product would reach as much as \$3 billion.

Just as the exporters are beginning to deal in soybeans, prices drop drastically and importers hold back. To make matters worse, the product was subsidized this week making the domestic prices higher than foreign prices and thus reducing Brazil's competitiveness in soybean exports.

If there is no significant change in current market conditions, planters will have to sell their crop at lower prices. Surely not less than the minimum price guaranteed by the government, 440 cruzeiros per 60-kilogram bag. However, market operators say that, even at that level, soybeans will continue to be subsidized.

According to information furnished by analysts of this sector, other important agricultural products on the list of domestic exports are also showing a tendency to decline, products such as cocoa, coffee, leaf tobacco, cotton and the like. Beef, which could increase foreign-currency income, is in short supply and its sale abroad is banned to guarantee adequate supply to the domestic market.

Import prospects are not very good either. It was forecast that \$9.5 billion would be spent to purchase oil and, this week, foreign-trade experts conceded that this figure could reach \$12 billion in view of successive price increases.

From the official viewpoint, a positive development in agriculture would preclude expenditures for the import of foodstuffs such as meat, beans, rice and corn. Meanwhile, purchases of wheat will require \$400 million more than in 1979 due to an increase in international quotations for that grain.

In view of this perspective, analysts who are closely observing the country's foreign trade are beginning to reexamine their forecasts and are already accepting the possibility that the country will end up with a foreign-trade deficit of \$2 billion to \$3 billion this year. This, on the supposition that exports will reach the \$20 billion foreseen by the government.

#### Brazil's Monthly Foreign-Trade Balance for 12-Month Period--\$1,000 (FOB)

| <u>1979</u> | <u>Export</u> | <u>Import</u> | <u>Balance</u> |
|-------------|---------------|---------------|----------------|
| March       | 1,158,634     | 1,250,186     | -91,552        |
| April       | 1,200,517     | 1,242,294     | -41,777        |
| May         | 1,329,470     | 1,471,699     | -142,229       |
| June        | 1,149,470     | 1,284,698     | -135,228       |
| July        | 1,420,438     | 1,649,667     | -229,229       |
| August      | 1,391,54      | 1,825,559     | -434,014       |
| September   | 1,365,811     | 1,574,949     | -209,138       |
| October     | 1,457,922     | 1,852,532     | -394,610       |
| November    | 1,292,511     | 1,710,345     | -417,834       |
| December    | 1,514,198     | 1,830,526     | -316,328       |

#### 1980

|          |            |            |            |
|----------|------------|------------|------------|
| January  | 1,325,000  | 1,807,000  | -482,000   |
| February | 1,350,000  | 1,750,000  | -400,000   |
| Total    | 16,005,516 | 19,249,455 | -3,293,939 |

Preliminary information.

Source: Bank of Brazil's Foreign Trade Department.

## Government May Limit Imports

Rio de Janeiro O GLOBO in Portuguese 10 Apr 80 p 29

[Text] According to a statement made yesterday by Helio Nicolau Martins, head of CACEX's Import-Export Department, the Federal Government may further tighten controls on imports if the trade balance for the first 6 months of 1980 ends up with a greater deficit than has been forecast--about \$1 billion.

Helio Martins went on to say that CACEX is making a case-by-case study with private firms of the country's import needs for this year:

"We prefer to meet with the private firms and discuss their program for 1980, with the clear understanding that such programs must be carried out at all costs at the risk of penalties the following year."

### Moderation

The government intended initially to impose general restrictions on imports but decided that such a measure would penalize certain firms in particular, even threatening their survival.

"Therefore," Helio Martins said, "we decided to meet with all of them and discuss their program of foreign-exchange expenditures for this year. In general, all were in agreement and promised to present their programs which, in turn, will be under more or less strict control depending on their importance to Brazil's overall economic picture."

According to Martins, up to now only the chemical and pharmaceutical sectors have presented detailed programs of their anticipated expenditures for the year. Others are meeting with various organizations of their particular sector to study and discuss what they can export during the year and what they need to import.

"Meanwhile," Martins said, "it is important to emphasize that we have a goal for this year--namely, relative equilibrium in the country's trade balance (relationship between exports and imports). If we do not succeed in at least improving current conditions, it is obvious that the government will have to impose new restrictive measures."

### Strict Program

Helio Martins disclosed that, initially, before the worsening of foreign accounts, the government thought of imposing overall restrictive measures relative to foreign purchases. This intention was subsequently superseded by that of consulting with the various sectors involved, including the program of each firm.



"Each program will be strictly followed. The firm in question will have a general expenditure account; and if this is exceeded, CACEX will obviously demand an explanation about the need for the additional expenditure."

The CACEX Export-Import Department head acknowledged that this drawing up of guidelines will be a "tedious task" for his employees who are no longer examining domestic price conditions and similar matters to devote their time to the preparation of the import guide.

"Besides those items, the CACEX employee must ascertain what was committed by the sector with regard to trade balance and do this firm by firm. Therefore, there will be some delay in the testing of the guidelines, which may give the impression of a dragged-out operation."

#### Positive Results

This guidance by CACEX is beginning to give positive results, since, in March, permits for import guidebooks decreased 20 percent compared with the same month of the previous year, according to Helio Martins.

"Possibly the March results are not yet a direct reflection of the new orientation measure, since import licenses are granted for imports to be made within 30 to 60 days. Thus, the results will only be positive, with a reduction in import expenditures, from this month on. If this measure is successful, we shall obviously show a reduction in expenditures for foreign purchases, except oil, between April and June. If the plan does not work, we shall have to adopt more restrictive measures, perhaps making a detailed examination of each firm's commitment to CACEX."

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CSO: 3001

## **BRAZIL**

### **COUNTRY OBLIGED TO PAY 70 PERCENT OF FOREIGN DEBT BY 1985**

Rio de Janeiro JORNAL DO BRASIL in Portuguese 13 Apr 80 p 27

[Text] Brasilia--During the remaining 5 years of President Figueiredo's term of office, Brazil will have to pay about 70 percent of its total foreign debt, which, according to the Central Bank, came to about \$50 billion at the end of last year.

This year and next year alone, the country will have to come up with a little less than \$15 billion to amortize Brazil's debt abroad. The plan for amortizing the principal of the foreign debt was clearly disclosed in the Central Bank's March report. Although somewhat out-of-phase, the plan which was revealed coincides with the forecast made by Minister Ernane Galves which indicates an expenditure of \$7 billion in 1980 to amortize the debt.

#### **In the Year 2000**

Obviously, the government will have to negotiate Brazil's foreign debt, since it does not have surpluses in its balance of payments unless it obtains funds on the foreign market. Not counting the debt's inevitable "rollover," in the year 2000 Brazil would still have a negative balance of about \$400 million in its foreign debt.

According to the current amortization plan, the decade of the 1980's will be the most critical for partial payments of the debt. During these 10 years, Brazil will need \$44.8 billion to amortize the debt's principal. According to the schedule published by the Central Bank, the peak will be reached in the coming year, with \$7 billion being needed as partial amortization of the debt.

In 1982, the country will pay \$6.8 billion as partial amortization of the debt. In 1983, a little more than \$5 billion will be needed and in 1984, a little more than \$4 billion. Only in 1980 will the amortization payment fall below the figure of \$1 billion.

### Composition of Debt

Again according to the Central Bank's information, more than half of the Brazilian foreign debt concerns loans made in accordance with the provisions of Law 4131. That law permits the country's firms to borrow directly from the international financial market without the intermediary of banking institutions which are responsible for loans obtained through Resolution 63 put out by the Central Bank.

Loans obtained through Law 4131 come to more than \$24 billion, while those obtained through Resolution 63 do not exceed \$8 billion. Financing obtained from international organizations amounts to one-third of the total debt, the current balance being \$3.2 billion; the World Bank is the largest creditor with credits of about \$2 billion.

Loans obtained through bonds come to about \$2.8 billion. Loans for projects of the International Development Agency (USAID) amount to \$500 million, while U.S. export-import banks financed Brazil for purchases amounting to \$900 million.

8568

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## ASEA-PRONON TO SUPPLY CONVERTER PLANTS FOR ITAIPU

Rio de Janeiro O GLOBO in Portuguese 9 Apr 80 p 31

[Text] Brasilia--Furnas Centrais Electricas signed an agreement with the Asea-Pronon consortium yesterday amounting to \$840 million to supply equipment and services to the direct-current converter stations of the Itaipu hydroelectric plant.

Furnas President Licinio Seabra said that domestic participation in the construction of the converter stations will amount to 66 percent and in that of the transmission lines almost 100 percent. He also stated that, of the total amount of the contract signed with the Asea-Pronon consortium, \$268 million is to be spent on importing equipment and services and the remaining \$572 million on expenditures within the country.

The import of equipment and services is to be financed in the amount of \$358 million by the Swedish, Skandinaviska Enskilda Banken, whose contract was also signed yesterday in Brasilia. The loan is to extend over a period of 15 years with a 5-year grace period and interest at the rate of 7.75 percent.

Licinio Seabra said that the system's first phase is to be completed in June 1983, when the plant's first generating units will begin operations. The completion of the system will be based on the startup schedule of Itaipu's other generating units.

The Furnas president gave his assurance that the contract signed with the Asea-Pronon consortium will enable Brazil to master the technology of direct-current transmission and pave the way for the country to use the hydraulic potential of the northern area. The direct-current transmission system makes it possible to transport power long distances without substantial losses.

According to him, there is a clause in the contract signed with the consortium obliging the Swedish firm, Asea, to convey technology to Pronon and Furnas. He said that, due to this arrangement, future direct-current systems to be built in Brazil will see a considerable increase in domestic participation compared with that of the Itaipu system.

The Itaipu transmission system, which will cost about \$2 billion at 1979 prices, includes the construction of two direct-current circuits with a range of approximately 800 kilometers and three extra-high voltage circuits in alternating current.

## BRAZIL

### BRIEFS

**GOLD PRICE RISE PROFITABLE--**Brasilia--The drastic upsurge in the price of gold on the international market at the beginning of the year yielded Brazil a profit of 12.43 billion cruzeiros--equal to \$275 million--just in the first 2 months of the year, due to the appreciation of the overall volume of gold in the country's currency reserves. For the period in question, the Central Bank's accounting data disclose that the appreciation of the gold in the Treasury Department's possession caused the value to change from 30.18 billion cruzeiros--about \$700 million--to 42.62 billion cruzeiros--\$944 million. Despite this appreciation in the price of gold, the Central Bank's foreign assets fell from 367.83 billion cruzeiros--\$8.65 billion at the current rate of exchange--in December 1979 to 350.34 billion cruzeiros, or \$7.77 billion, at the end of February. According to Central Bank experts, the drop of 17.49 billion cruzeiros--\$880 million--in the total of the foreign financial assets during the first 2 months of the year reflects the policy measures taken by the monetary authorities to sell some of the currency reserves and also the weakening of the dollar with regard to other strong currencies in the London financial center. At the end of February, the Central Bank also reported a balance of 367.83 billion cruzeiros--about \$9 billion--in voluntary and obligatory deposits in foreign currency in accordance with the regulations of resolutions 432 and 63. These deposits denoted stability, contrary to the speculative wave rampant throughout the past year, and increased a mere 10.26 percent in the first 2 months of this year--a percentage almost identical to that of the devaluation of the cruzeiro during that period. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Apr 80 p 35] 8568

CSO: 3001



## HAVANA HOSTS SEMINAR FOR LATIN AMERICAN JOURNALISTS

## Delegates From 15 Countries

FL091839 Havana Domestic Television Service in Spanish 1700 GMT 9 May 80

[Text] The 1980 Latin American journalists seminar began today in this capital and will end on 20 May. The seminar, which is being held at the Union of Cuban Journalists (UPEC), is being attended by delegates from more than 15 Latin American and Caribbean countries who will take up important and varied topics related to the journalistic sector. During the seminar the participants will hear lectures, among them the implementation in Cuba of the system of management and planning of the economy, the socialist press and the Cuban revolution's foreign policy. Likewise, the delegates to the seminar will visit places of interest, such as the psychiatric hospital and Matanzas' livestock breeding plan.

UPEC Secretary General Ernesto Vera made the opening remarks. He stated that the delegates had come to Cuba at a very important moment for the Cuban people and journalists, who have maintained a firm position, loyal to Fidel, the party and the revolutionary government.

## U.S. Actions Condemned

FL091924 Havana Domestic Service in Spanish 1805 GMT 9 May 80

[Excerpt] UPEC Secretary General Ernesto Vera stressed in his opening remarks that the seminar is being held at a very important moment of the Cuban revolution in which our people are facing the campaigns of imperialism firmly and resolutely. He emphasized that at this phase of the revolution, Cuban journalists continue to develop analytical, militant and creative work and that they are loyal to the people, party and Fidel.

Vera stressed in his opening remarks at the Latin American journalists seminar that our militant, firm and resolute people are united around the revolution and the party on the battle against imperialist acts of aggression, the blockade, the [Guantanamo] Naval Base and spy flights.

At the Latin American journalists seminar which opened today, the first action of the day was to send a message to the Cuban journalists and people

expressing solidarity with the position of the revolution in defense against the acts of aggression and maneuvers of imperialism. The delegates also approved of sending a telegram to U.S. President James Carter condemning the military maneuvers against Cuba, the blockade imposed 20 years ago, the spy flights of RB-71 planes and the presence of the yankee naval base in Guantanamo.

The seminar's agenda includes conferences on the Cuban economy, Cuba's national health system, foreign policy of the revolution and the nonaligned countries movement. The delegates to the seminar, which will continue until 20 May, also will visit production and services centers and will examine aspects of the press of their countries.

#### Fundora Addresses Journalists

FL122339 Havana Domestic Service in Spanish 2300 GMT 12 May 80

[Text] Comrade Orlando Fundora, chief of the PCC Central Committee Revolutionary Orientation Department (DOR), this afternoon made a speech at the fifth seminar of Latin American journalists, which is meeting in Havana. Fundora gave a brief historical account of the bourgeois press' activities in Cuba and of the press which answers to the interests of the working class and people in general. He said a lot has been done to raise the professional and cultural level of Cuban journalists. In response to a question posed by a participant in the seminar, the DOR chief responded that presently the Cuban press is entirely devoted to the political situation we are living in and to satisfy our people's information needs. The fifth seminar of Latin American journalists, which is being held at the main offices of the Union of Cuban Journalists, will end on 20 May and will observe a broad program of activities in Havana City.

CSO: 3010

**SOVIET-CUBAN COOPERATION IN TRANSPORT EDUCATION**

Moscow GUDOK in Russian 23 Apr 80 p 3

[Article by Assistant Dean V. Gol'denberg: "The Cooperation of Higher Educational Institutions"]

[Text] The first conference of the rectors of cooperating higher educational institutions of the USSR and Cuba, which was devoted to increasing the quality of training of specialists, was recently held in Moscow at the House of Friendship With the People of Foreign Countries. Problems connected with the improvement of the educational process, the development of scientific research and the training of scientific and educational personnel were examined at the plenary session and in the sections. Much attention was devoted to the forms and methods of cooperation of the higher educational institutions of the fraternal countries.

The speakers—USSR Deputy Minister of Higher and Secondary Specialized Education N. N. Sofinskiy and Cuban First Vice Minister of Higher Education Benito Perez Naza—covered in detail the problems of the higher school at the present stage.

The speech of Rector of the Moscow Institute of Railway Transportation Engineers imeni F. E. Dzerzhinskiy Professor I. V. Belov was devoted to the increase of the scientific and teaching skills of the professors and instructors of higher educational institutions.

An extensive exchange of work experience took place in a relaxed atmosphere. Further steps in the development of the cooperation of the higher educational institutions of the fraternal countries were outlined.

After the conclusion of the conference Rector of the Havana Higher Polytechnical Institute Rodolfo Alarcon visited the Moscow Institute of Railway Transportation Engineers imeni F. E. Dzerzhinskiy. He acquainted himself with the educational and scientific research laboratories, inspected the computer center and spoke with instructors and students. The guest showed great interest in the experience of educational and training work, which had been gained at the institute.

R. Alarcon expressed thanks to the collective of the Moscow Institute of Railway Transportation Engineers imeni F. E. Dzerzhinskiy for fraternal assistance in the training of specialists for Cuban rail transport.

At present 250 Cuban students and 6 graduate students are studying at the Moscow Institute of Railway Transportation Engineers imeni F. E. Dzerzhinskiy. In recent years many staff members of the Soviet transportation higher educational institute have worked as instructors and consultants at a number of higher educational institutes of Cuba. Professor V. S. Ruz'mich, docents Ye. V. Lisitsyn, A. O. Neyman, A. L. Sarkisov, Yu. A. Khokhlov, S. B. Del' Rio and A. A. Makarov have worked productively on the Isle of Freedom. And today docents E. V. Vorob'yev, N. A. Sashko, V. N. Maksimov and V. P. Danilin continue to work in Cuba.

It is safe to say that the cooperation of the transportation institutes of the fraternal socialist countries will be strengthened and developed. The working plan of cooperation for a two-year period, which was signed by the rectors of the sister higher educational institutes, will promote this.

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## ANNIVERSARY OF VICTORY OVER FASCISM COMMEMORATED

FL121949 Havana Domestic Television Service in Spanish 0038 GMT 10 May 80

[Speech by USSR Ambassador to Cuba Vitaliy Vorotnikov at ceremony held at Havana's Karl Marx Theater to commemorate the 35th anniversary of the Soviet Red Army's victory over fascism--live; in Russian with simultaneous Spanish translation]

[Excerpts] Honorable comrades Juan Almeida Bosque, Ramiro Valdes and Osvaldo Dorticos, members of the PCC Central Committee Politburo, honorable members of the PCC Central Committee, honorable members of the Presidium, honorable members of the Diplomatic Corps, honorable comrades and friends: Today is the 35th anniversary of the victory of the Soviet people in the great motherland war. The older in history the date of 9 May 1945, the fuller and more brilliant is the presentation of the greatness and historic importance of the matchless heroic deed of the Soviet people and their armed forces, which under the leadership of the CPSU defeated Hitler's fascism, the most monstrous expression of world imperialism. Together with the Soviet Union, the day of victory is also commemorated by the peoples of the fraternal socialist countries and all the workers in the world. Progressive mankind sees in this commemoration the symbol of the indestructible strength of socialism, of its decision to force the failure of the dangerous plans of the imperialist aggressors and their accomplices and lead mankind away from the threat of a new world war.

Based on historic experience and in the light of the results of and lessons derived from the great motherland war, the foresightedness of the policy of Lenin's party are clearly evident with regard to the preparation of our country and its armed forces to repulse any imperialist aggression. Following the victorious conclusion of the civil war and the start of the peaceful building of socialism, the Soviet people, under the leadership of the communist party, fully bore in mind the continued threat of international imperialism which could not resign itself to its defeat and was preparing new plans aimed at liquidating the first socialist state in the world.

The victory of the Soviet people and their armed forces in the great motherland war produced important changes in the correlation of class forces in the world struggle. The Soviet Union's international situation was consolidated. The defeat of German fascism and Japanese militarism, the shock



forces of the imperialist reactionary circles, weakened the positions of world capitalism and intensified and aggravated its general crisis. In several countries the socialist revolutions were successful and the world system of socialism emerged. In 1959 the Cuban revolution was victorious and the Republic of Cuba, the first socialist state in the Western Hemisphere, was born. [applause] Your victory has been a powerful accelerating factor in the world revolutionary process, which began with the Great October, and has become an important historic landmark in mankind's destiny.

The joint defensive and economic might of the socialist community has been containing for the past 25 years imperialism's aggressiveness and firmly guarantees the security of fraternal countries. Developing their mutual cooperation the socialist countries lend a decisive and multifaceted support to all progressive forces in the world. Loyal to Lenin's legacy, the Soviet Union, the Republic of Cuba and other members of the socialist community always side with the workers, the peoples struggling for freedom and independence, and express solidarity with the peoples of Ethiopia, Angola, Mozambique, Afghanistan, Nicaragua, Grenada, where antifeudal, anti-imperialist revolutions have been victorious.

At the end of the decade of the 1970's and beginning of the decade of the 1980's, because of the reactionary imperialist circles and, above all, the North American, the situation in the world has notably worsened. In recent times the United States and other capitalist states pressured by it have abruptly abandoned the path toward detente. In justifying their subversive actions they have orchestrated a noisy campaign on the Soviet threat, inventing a number of lies and slanderous accusations in connection with the internationalist aid given by the Soviet Union to the Afghan people.

The provocative and militaristic activity of the United States recently has intensified in Latin America, mainly directed at the Republic of Cuba. In an effort to attain such objective, Washington is doing everything possible to defame the Cuban revolution and undermine its active role in the nonaligned movement as well as using direct threats. No one can pretend to sway the freedom-loving spirit of the Cuban people who are determined to successfully defend their revolutionary gains as they have done in the past.

Cuba is not alone. The Soviet Union and the countries of the socialist community give their support to express their solidarity with the heroic Cuban people. [applause] We are firmly on the side of your just cause.

The commemoration of the day of victory is a vivid reminder of the lessons derived from the great motherland war. The lessons of the war and the contemporary reality demand from all Soviets, the peoples of the socialist community, the combatants of fraternal armies, all progressive and peace-loving forces a very high vigilance in connection with the aggressive intentions of imperialism. We cannot permit that the fires of a new war be kindled.

Long live the commemoration of the day of victory! Long live the irrevocable friendship of the peoples of Cuba and the Soviet Union! Long live proletarian internationalism! Thank you very much. [prolonged applause and shouts of viva].

## DORTICOS SPEAKS AT 'VICTORY OVER FASCISM' COMMEMORATION

[FL100200 Editorial Report] Dorticos immediately discusses the victory of the Soviet Union over Hitler's Germany "and the magnitude of sacrifices" of European nations that made victory possible.

He recalls the heroism of the Polish people, Bulgarians and others in struggle against Hitlerism, paying homage to them. The Cuban people, he says, pay solemn homage to the millions of men who died for mankind during the World War II, and very especially, "to the exceptional men and women of the Soviet Union." He also pays homage to the Soviet army and soldiers.

Dorticos then turns to the role of the Soviet Union in the victory over fascism as opposed to the false image reported by the Western press. Documentaries, films and other reportage, he adds, have been clarifying the real truth of the role of the Soviet Union.

Dorticos then discusses events that preceded and led to the war, calling them "the political itinerary" of the war. He mentions, among others, the Spanish Civil War and Italy's invasion of Ethiopia comparing the latter to Ethiopia's latest war for independence with the assistance of the USSR and Cuban people.

Dorticos adds that socialism became a world system after the war. He says, however, that World War II was followed by the cold war. The successes on the path to detente, he says, are turning into risks generated by imperialism in this new decade. The response of the imperialist West and NATO to Soviet proposals have to promote a real "anti-detente program" He cites U.S. missiles in some West European countries.

The victory over fascism and the foreign policy of the socialist community have achieved long years of peace, he says. But the Chinese are inciting NATO and the United States to take anti-Soviet actions. There is no future for these traitors, he adds. The new imperialist policy, especially of the United States, can be seen. He cites the Persian Gulf, Middle East and anti-Soviet campaign, as well as aggressive policy in the Caribbean and Central America and slander campaign of an alleged Soviet threat.

He says the United States has frozen SALT II treaties and has undertaken actions against the USSR, and is pressuring NATO to join actions against the USSR.

The arms race, he says, has become a special cause of the worsening relations among states. He also says "We are not pessimistic, however." Moreover, the balance of forces is increasingly more in favor of progressive paths and the Soviet Union is increasingly more powerful. He adds that the liberation movements are advancing. He cites Vietnam, Angola, Ethiopia, Nicaragua, Grenada and Cuba as expressions of the changes in the world's balance of forces.

Dorticos adds that the class struggle has become an international one and that the balance of forces is not limited to the military field, but includes the ideological and economic fields. The developing countries, he adds, are exercising "growing influence" on this balance of forces. He also discusses the energy problem, U.S. attempts at imposing policies on other countries, and reemergence of fascism in some countries. He discusses fascism at length, with emphasis on Latin American dictatorships and U.S. rapprochement with them.

Dorticos says this ceremony should turn into revolutionary militancy. Cuba's example in Latin America, its loyalty to socialism and communism and friendship with the Soviet Union have led yankee imperialists to undertake campaigns to discredit the Cuban revolution accompanied by threats. In the face of the new circumstances of the imperialist cold war, he adds, Cuba has responded with a struggle of the masses. He cites Fidel Castro saying "Our people deserve a place in history."

He says that today we can say to all our fraternal peoples and to the people of the Soviet Union and its soldiers and communists that in the struggle for peace and progress, our people will again "gain a place in history, glory and victory."

He concludes at 0157 GMT with vivas for the glorious and heroic Soviet Union, world revolutionary movement and communism.

The Internationale is then played as the cameras focus on the dais, and coverage ends immediately thereafter.

CSO: 3010

## BRIEFS

RCP ANNIVERSARY--To the RCP Central Committee, on behalf of the Communist Party of Cuba (PCC) and the entire Cuban people we extend fraternal and revolutionary congratulations and greetings to you on the 59th anniversary of the foundation of your party. Once again we express the desire that our joint successes in the noble task of building socialism should be ever greater. We also wish for success in developing the friendship that binds us. [Signed] The PCC Central Committee. [Text] [AU121657 Bucharest SCINTEIA in Romanian 9 May 80 p 5]

JAILED STUDENTS CAMPAIGN--The Continental Organization of Latin American Students [OCLAE] has launched in Havana to mark the 35th anniversary of the victory over fascism, a campaign for the liberation of students imprisoned by the tyrannical regimes of Latin America. Mass mobilizations, protest rallies and public declarations will take place at an increasing rate during the campaign, with special events slated for 27 June in Uruguay, 30 July in El Salvador, 11 September in Chile and 20 October in Guatemala. The campaign will end on 10 December. The OCLAE call denounces the situation in Chile, Uruguay, Guatemala, El Salvador, Argentina, Paraguay and Haiti, and urges education, science and cultural workers, university officials and all democratic forces to denounce this situation. [Text] [FL091204 Havana Domestic Service in Spanish 1000 GMT 9 May 80]

RODRIGUEZ LEAVES BELGRADE--After heading the Cuban delegation to the funeral of Yugoslav leader Josip Broz Tito, Carlos Rafael Rodriguez, vice president of the Cuban Councils of State and Ministers, left Belgrade on his way back to our country. During his stay in Belgrade, he held talks with top leaders of the Soviet Union, Bulgaria, Czechoslovakia, Hungary and Poland. He also met with the heads of state and government of India, the DPRK, Guinea, Portugal, Austria, France, Ethiopia, Zambia, Tanzania, Algeria, Mali, Zimbabwe, Syria, Cape Verde, Guinea-Bissau and Panama. Rodriguez explained to them the efforts that Cuba is making in its position as leader of the nonaligned movement to find a peaceful solution to the conflict in the Middle East. He also told them about the tensions that the United States has provoked in the Caribbean. He also met with political, government and military personalities of many other countries who attended Tito's funeral. [Text] [PA100153 Havana International Service in Spanish 0000 GMT 10 May 80]



U.S. ATTITUDE TOWARD REFUGEES--Entitled "What the Information Agencies Say and Do Not Say," the Cuban newspaper JUVENTUD REBELDE publishes today a commentary on the attitude of the James Carter government with regard to the presumed Cuban refugees. The evening newspaper refers to Washington-dated dispatch by AFP in which it is stated that the U.S. Government, by virtue of its policy in defense of human rights, cannot turn back those thousand of persons toward the sea and at the time, it adds, must take into account the demands of the U.S. electorate, which within a few months will be called to elect a new president. The same dispatch, the paper adds, mentions that the U.S. Government did not hide its deception over the results of the conference on the problem of Cuban migration which was held in San Jose, Costa Rica, last Thursday and Friday and in which 14 countries of Latin America and West Europe participated. However, says JUVENTUD REBELDE, AFP fails to report that the meeting was a carnival of yawns in which the United States, Venezuela and Peru participated with their envoys and the rest of the persons attending were officials residing in Costa Rica as representatives of the nations invited. At the same time, the French agency reported from Paris that despite the flight of several thousand discontent Cubans, there are 10 million people who support Fidel Castro unconditionally. [Text] [PA120204 Havana International Service in Spanish 0000 GMT 12 May 80]

SRV OFFICIAL VISITS CENTER--Mr Nguyen Huu Ngo, ambassador of the Socialist Republic of Vietnam to Cuba, this afternoon visited the Le Van Tam Child Care Center which burned down last Thursday, 8 May, as a result of a criminal sabotage perpetrated by yankee imperialism's henchmen. The ambassador was accompanied by his wife and (Khan Hu Sui), counselor of the embassy, as well as other officials of that diplomatic mission. The director of the child care center, Maria Coto Valle, extensively briefed the visitors on the fire and noted the heroic efforts of the people who, together with the child care center's workers, saved the lives of more than 500 children. This is part of the chain of aggressions unleashed by the CIA against our people. [Beg'n Huu Ngo recording--in Vietnamese with consecutive Spanish translation] We are very angry in the face of these maneuvers by imperialism and the CIA, because this is a very lurid maneuver, especially lurid and criminal. There is nothing else more criminal, lurid and cruel than to try to hurt children. We know imperialism very well because in Vietnam they applied the policy of murdering everybody, including children. The expansionist, hegemonist Chinese aggressors also murdered Vietnamese children. This is a cruel and criminal maneuver. [end recording] [Text] [FL130107 Havana Domestic Television Service in Spanish 0000 GMT 13 May 80]

ALMEIDA VISITS TEXTILE FACTORY--Politburo member Juan Almeida Bosque has chaired a meeting held to report on the progress in the construction of what will be the country's largest textile factory. It is being built in Santiago de Cuba. Following the meeting, the participants visited the site. The factory is expected to be ready before 26 July 1983 and produce 80 million meters of fabric a year. [FL131634 Havana Domestic Service in Spanish 1000 GMT 13 May 80]



**UN OFFICIAL VISITS**—(Mohammed H. Gerat), undersecretary of the United Nations and secretary general of the UN Conference on New and Renewable Energy Sources, today visited the Basic Industry Ministry, where he was received by Vice Minister Manuel Aguilera. (Gerat) was accompanied by (Louis Arlington Wychea), secretary of the UN Conference on New and Renewable Energy Sources. Participating in the talks for the Cuban side were Nicolas Rodriguez, director of the Foreign Ministry International Economic Relations Department; Basilio Rodriguez, director of the Basic Industry Ministry, and other officials. The two sides discussed matters of interest to the two sides. Subsequently, the UN representative visited the national desk of the electric enterprise in the Basic Industry Ministry. [Text] [FL132139 Havana Domestic Service in Spanish 2130 GMT 13 May 80]

**UN OFFICIALS AT SUGAR INSTITUTE**—Muhammad Habib Gherab, undersecretary of the United Nations and secretary general of the UN Conference on New and Renewable Energy Sources, yesterday afternoon visited the Cuban Institute for Sugar Byproducts Research—ICIDCA. (Louis Arlington Wilchild), executive secretary of the aforementioned conference, also visited ICIDCA. The visitors were received by ICIDCA director Luis Galvez. Others present included Nicolas Rodriguez, director of International Economic Relations of the Foreign Ministry, and Paul Lopez and Carlos de Armas, deputy director of ICIDCA and chief of the Engineering Department, respectively. The two sides discussed the work being done by ICIDCA and its ties with the UN Conference on New and Renewable Energy Sources. [Text] [FL141039 Havana Domestic Service in Spanish 1000 GMT 14 May 80]

**MANASOV FAREWELL CEREMONY**—A warm and sincere farewell ceremony was hosted this afternoon in honor of Marlen Manasov, minister-counselor of the USSR Embassy in Cuba, by the Federation of Cuban Women [FMC]. The ceremony was chaired by Vilma Espin, member of the PCC Central Committee and of the Council of State and FMC President. In a brief speech Manasov told the FMC members: [Begin Manasov recording] Not only am I leaving here 10 years of my life, which is half of the Cuban revolution's life, but also a piece of my heart, that is the truth. [end recording] The distinguished friend of Cuba also said that no matter where he goes, he will continue to maintain the best of relations with our country. Manasov presented a box of candies to the FMC bearing inscriptions commemorating the 1980 Moscow Olympics and asked that the box be used for storing the medals that the Cuban women will win in the Olympic Games. Attending the farewell ceremony for Manasov were all the other members of the FMC Secretariat and many state officials. [Text] [FL132331 Havana Domestic Service in Spanish 2300 GMT 13 May 80]

**PALESTINIAN SUPPORT**—The Cuban Movement for the Peace and Sovereignty of the Peoples today reiterated its militant and solidary support for the fraternal Palestinian people and their legitimate representative, the Palestine Liberation Organization. On the occasion of the commemoration of the International Day of Solidarity With the Palestinian People, the message contains the most absolute condemnation of the treacherous Camp David agreements and Zionist expansionism which, supported by North American imperialism, is attempting to ignore the people's right to self-determination and the establishment of an independent Palestinian state. [Text] [FL132343 Havana Domestic Service in Spanish 2300 GMT 13 May 80]

CUBAN-SOVIET COOPERATION--A working meeting between the delegations of the USSR Gosstroy [State Committee for Construction Affairs] and Cuban Construction Ministry--Micons--opened this morning at the Micons conference hall. The meeting is being chaired for the Soviet side by USSR Gosstroy Deputy Chairman I. A. Ganichev and for the Cuban side by Jose Lopez Moreno, vice president of the Council of Ministers and minister of construction of Cuba. The primary purpose of the meeting is to examine cooperation plans between the USSR and Cuba. The working plan of the delegations includes visits to economic projects under construction with Soviet assistance. [Text] [FL131736 Havana Domestic Television Service in Spanish 1700 GMT 13 May 80]

AIRCRAFT CRASH--This morning an IL-14 aircraft of Cubana de Aviacion crashed in the area of Varadero Beach while on a training flight. The three crewmembers, Capt Carlos Ramon Wong, and students Roberto Rodriguez Pons and Antonio Reynosa, were killed when the aircraft plunged into the sea. All three were residents of Santiago de Cuba. [FL140116 Havana Domestic Television Service in Spanish 0000 GMT 14 May 80]

CUBAN-BULGARIAN STATISTICS COOPERATION--Official talks between Bulgarian and Cuban Statistics delegations have concluded in Havana with the signing of a final memorandum designed to establish the foundations for cooperation in the statistics sector in the 1981-85, 5-year period. Dano Balevski, chairman of the committee on unified system of social information, heads the Bulgarian delegation that is in Cuba in response to an invitation of Fidel Vascon, minister-president of the State Committee for Statistics. The memorandum establishes joint cooperation in the field of statistical information and in the application of electronic data processing. [Text] [FL141702 Havana Domestic Service in Spanish 1600 GMT 14 May 80]

CSO: 3010

# PRODUCTION, SALES OF CRUDE OIL HAVE DROPPED

Quito EL COMERCIO in Spanish 18 Apr 80 pp A-1, A-17

[Text] This past February the production of crude oil dropped by 7.5 percent compared to the same month last year and exports also registered a significant decline of more than 20 percent. This is in contrast to the production of byproducts and to processing capacity which increased by about 30 percent.

According to the oil bulletin published by the Ministry of Natural Resources and Energy, the eastern fields produced 5,632,840 barrels, for a daily average of 201,822 barrels. This volume, compared to that of February 1979, constitutes the decline noted above.

However, during February of this year the Santa Elena fields produced 43,406 barrels—with a daily operating average of 2,246 barrels—which represents a 3.7 percent increase.

## Exports

A total of 2,381,693 barrels were exported, with a daily average of 82,127 barrels. Compared to February of last year, this represents a drop of 20.6 percent in the volume of sales to foreign markets.

The highest volume of exports went to the United States; this country accounted for 43.3 percent of foreign sales, followed by Panama, the Antilles and Chile as the principal consumers of Ecuadorean crude oil.

Of the total amount of crude oil exported—2,381,793 barrels—the Ecuadorean State Petroleum Corporation was responsible for 1,891,135 barrels, or 79.4 percent, in direct sales. The remaining 490,558 barrels, or 20.6 percent of the petroleum sold to foreign markets, were exported by the U.S. company Texaco.

In another connection, natural gas production increased by 6.4 percent over February of last year. Production of this fuel reached 1,003,946,000 cubic feet.

The biggest producer of gas was the Shushufindi field, which generated 56.7 percent of the overall volume of gas. This field produced 569,432,000 cubic feet, followed by Lago Agrio, which produced 157,312,000 (15.7 percent) cubic feet, and Sacha, which produced 134,633 (13.4 percent) cubic feet. The Aguatico, Auca, Parahuacu and Atacapi fields are lesser production centers.

#### Greater Production of Byproducts

It is also worthwhile to note that production of byproducts and processing of crude oil have increased considerably. This past February 2,839,628 barrels of crude oil were processed, which represents an increase of 30.4 percent over February 1979. Moreover, production of byproducts reached 2,776,470 barrels, which represents a 26.4 percent increase.

Of the total amount of byproducts produced, the following account for the highest percentages: gasolines, with a total of 742,419 barrels, or 26.8 percent; sludge, with 1,183,086 barrels, or 42.6 percent; and diesel oil, with 508,958 barrels, or 18.3 percent.

Although in some cases, especially with regard to gasolines, production has registered a relative decline, production of other byproducts has increased considerably, as for example in the case of turpentine, which increased by 117.7 percent, and solvents, which increased by 82 percent.

Finally, the charts published in the bulletin indicate that 80 percent of the production of sludge—which represents the entire amount marketed abroad—goes exclusively to the United States. That country buys 678,466 barrels of sludge from Ecuador and the rest is used internally.

CSO: 3010

UGB THREATENS ASSASSINATIONS IF D'AUBUISSON NOT FREED

PA092022 Panama City ACAN in Spanish 1842 GMT 9 May 80

[Text] San Salvador, 9 May (ACAN-EFE)--The rightist National Broad Front (FAN), whose members include retired Maj Roberto D'Aubuisson who was arrested on Wednesday along with civilians and officers on charges of acting against state security, said today that it is concerned about these arrests.

The FAN indicated that Major D'Aubuisson, former chief of the political police of overthrown Gen Carlos Humberto Romo, is well regarded in the national guard in whose intelligence service he worked during 9 years.

Several of the FAN's capitalist members have taken refuge in Miami. The FAN did not indicate what action it would take to achieve the release of its leader, Major D'Aubuisson, who is under arrest at the San Carlos Garrison in San Salvador.

Several months ago, Mario Zamora Rivas, attorney general of the poor, filed charges of slander against D'Aubuisson in the attorney general's office. Zamora Rivas was killed by unidentified persons a few days after his accusation against D'Aubuisson.

Former Agriculture Undersecretary Jorge Alberto Villacorta also filed charges against D'Aubuisson. Villacorta subsequently fled the country, fearful that D'Aubuisson's men would kill him.

Other Salvadorans accused by D'Aubuisson of cooperating with the Marxist-Leninist forces have been killed in San Salvador and other parts of the country.

At noon, anonymous callers told several Salvadoran radio stations that they were spokesmen of the clandestine rightwing White Warriors Union (UGB) and that they would kill several Salvadorans if D'Aubuisson were not released.

CSO: 3010



PDC LEADER DISCUSSES D'AUBUISSON ARREST

PA110011-0 San Salvador Radio Cadena Central in Spanish 2137 GMT 9 May 80

[Statements by Julio Adolfo Rey Prendes, San Salvador mayor and organization secretary of the Christian Democratic Party, at a news conference held by the party's Executive Committee on 9 May 1980 at the party headquarters in San Salvador—recorded]

[Text] On behalf of the members of the Executive Committee--most of whom are here but all of them could not enter into this room because it is very small--we want to refer to the latest incidents which within the revolutionary and democratization process that the country is experiencing, are of great importance to us.

As you know, 2 days ago, an armed forces contingent captured Major D'Aubuisson along with other high-ranking officers and some civilians in a ranch in Santa Tecla called San Luis. They were captured and taken to the San Carlos Garrison. The operation was successful not only because of their arrest but because many documents which attested to their participation in the coup were seized from them. It was a rightist coup aimed at reverting the process, preventing the charges being implemented in the country and hindering the democratization process.

This brilliant action of the armed forces that was able to unmask this plot which had been rumored for quite some time has the full support of the Christian Democratic Party [PDC]. The PDC has been demanding serious and harsh actions against all those persons and groups of persons of the extreme rightwing who have tried to destabilize the government through many actions. These actions have not only endangered the process but have resulted in the killing of many persons.

At this time I will be very brief because what we basically want to state is that in expressing the people's feelings and interpreting them loyally, as the PDC has always done, we are demanding the trying and sentencing of those responsible for this thwarted coup attempt. We want to especially demand the punishment of Major D'Aubuisson who has been the main figure in this plot. We are also demanding punishment for all those persons who participated in it either by financing the plot or by participating in military actions of this coup or in other actions committed in the past in an attempt to destabilize the government junta.

MAJANO URGED TO RULE WITH THE PEOPLE

PA122253 San Salvador EL INDEPENDIENTE in Spanish 10 May 80 p 3

[Editorial by Director Jorge Pinto: "Majano Has the Word"]

[Text] A plan to give a new face to the military government junta was apparently thwarted on Thursday. According to the plotters, the junta would have been made up of the following people: Col Abdul Gutierrez, Maj Roberto D'Aubuisson, Col Nicolas Carranza, Dr Ramon Avalos Navarrete and Napoleon Duarte.

The action was very serious because along with D'Aubuisson and nine hired assassins, two retired majors, three retired captains and three retired lieutenants are now under arrest.

In truth, if the traitorous Christian Democrats were not in the junta, EL INDEPENDIENTE would now be issuing a call to national unity in support of Colonel Majano who is the only man in the junta worthy of support.

However, a man might be worthy of support one day and not the following day because there are many men who have had one outstanding and patriotic moment in their lives and there are others who throughout their lives have raised the banner of justice and are willing to die for their principles.

We think the time for decision has arrived for Colonel Majano. He should bring the people into the government and thus pass into history as the man who satisfied the people's desires.

D'Aubuisson or Carranza would be new faces in the continuing military dictatorship. They would continue to kill and there would be little difference with the past 47 years. Today is the anniversary of the overthrow of General Martinez. Today is the anniversary of the massacre of the cathedral 1 year ago.

If Majano does not govern with the people and the massacres continue, nothing is going to make any sense in the insurrectional process which began on 15 October and which will become a permanent and constitutional popular insurrection if the people do not achieve their objectives of social reforms.

Majano should take advantage of this moment so that everything will be resolved with a minimum of bloodshed. To achieve this, he must begin by sweeping away the traitors.

CATHOLIC DAILY COMMENTS ON EXTENDED STATE OF SIEGE

PA122344 San Salvador ORIENTACION in Spanish 11 May 80 p 3

[Editorial: "The State of Siege Has Been Extended. What For?"]

[Text] The law which suspends certain constitutional guarantees and which is called state of siege has been extended 30 days more. The reason given is that the causes which motivated it 3 months ago still exist.

We want to recognize the right of the government to decree a law which suspends constitutional guarantees, especially when the good and the security of the nation so demand it in the opinion of the competent authorities. Therefore, we are not entering into criticism of the authorities or the laws. This is not within our competence. We do want, however, with a Christian and pastoral vision, to make an appeal for reflection.

We understand that a law on state of siege is applied in exceptional cases and not permanently. The measures to guarantee public order should be evaluated in relation to their results.

If we look at these results, we find that it has only served to allow greater repression of the people with more impunity. In the church and among the people in general there is great concern about proof of the disproportioned repression and because the greater the repression, the greater the violent reaction of the people. It results in the ironic case that those who want to put an end to "guerrilla activity" as they say, are indirectly fostering it. We ask: Is it for this that the state of siege has served? Should not the causes which prompted the measure 3 months ago be reviewed to see if they still exist. Shouldn't it be asked if the state of siege measure is removing them or, if on the contrary, it is fostering them. This measure is becoming even more harmful. We want the nation to return to a normal situation of constitutional guarantees. We repeat that we do not intend this to be criticism of a certain law nor the right to decree it nor any authority, but to appeal to the conscience of all Salvadorans.

In the fourth pastoral letter, speaking of the regime prior to the government junta, it was said: "The state of siege did not serve in any way to hold back political killings. Data on deaths and missing persons denounces a climate of impunity adequate for the proliferation and activities of murderous organizations of the ultraright which have worsened the panorama of violence in this country."

The judgment of Puebla concerning this situation is very eloquent when it denounced nations..."where frequently, fundamental human rights are not respected or there is a situation of permanent violation of the dignity of the person." Latin American pastors mention by name these "abuses of power" "typical of the regimes of force" and solidarize "with the anguish of this systematic or selective repression accompanied by accusations, violation of privacy, disproportionate pressure, tortures and exile; the anguish of so many families over the disappearance of their loved ones, of whom they cannot obtain news; the total insecurity due to arrests without warrants and the anguish in the face of an exercising of justice that is submissive or tied."

Now, the situation in El Salvador is much more grave than that described by Puebla and alluded to by Monsignor Romero in his fourth pastoral letter. We do not deny there exists harassment on the part of the armed leftist groups and there are even clashes. But nevertheless, the reply of the security corps--and not only against the armed groups, but also against all the people--is simply out of proportion.

In the face of this anguished situation, Puebla recalls, in the name of the pontiffs, that the church, due to an authentic evangelistic commitment "must make its voice heard by denouncing and condemning these situations, more so when the rulers or responsible persons profess themselves Christians."

May God enlighten the persons responsible for the nation in these difficult moments for the nation. We continue to believe that arms are not the best instruments for imposing a social-political-economic project, no matter how good it is.

From the pages of this newspaper, we appeal for reflection, calm and the quest for and construction of true peace.

CSO: 3010

BISHOP SUPPORTS CHURCH RECONCILIATION WITH GOVERNMENT

PA081749 Buenos Aires LATIN in Spanish 0958 GMT 8 May 80

[Text] San Salvador, 8 May (LATIN)--Msgr Arturo Rivera Y Damas, apostolic administrator of the San Salvador Archdiocese, last night said that the church and the government have begun a dialogue to find a path to understanding.

The prelate held a press conference to make known the work of the church and to analyze the country's situation but without meddling in politics. He said that the Salvadoran bishops recently held their first meeting in many years with the administration in office, the revolutionary government junta.

According to spokesmen of the archdiocese and the Secretariat of Information of the Presidency of the Republic, the representatives of the church and the members of the government junta have taken the first step toward reconciliation.

The bishop indicated that the church is pleased by the deep changes the junta is carrying out because the church has been in favor of true social justice. However, the church is opposed to the massacres which occur daily.

The bishop did not specifically blame anyone for the massacres but he issued a call to all leftist and rightist groups and all social and political sectors to try to end the various types of violence.

The church is not political and when it advocates changes to help the masses, it does so inspired by the gospel, he added. He stressed that the church does not lean toward specific groups while attacking others. It only seeks the application and fulfillment of the commandments.

The prelate said the church has always supported human rights. This does not mean that it is interfering in politics, he added. The Salvadoran priests have never meddled in politics, except for those who participated in the first cry of Central American independence in 1811 and those who achieved freedom on 15 September 1821, the bishop said.



**TWENTY DEATHS, CHURCH OCCUPATIONS REPORTED**

PA101439 Managua Radio Sandino in Spanish 1200 GMT 10 May 80

[Text] San Jose, 10 May--More than 20 persons have been killed in El Salvador in the past few hours by paramilitary groups, while many churches have been occupied in the capital to demand an end to repression.

The bodies of victims were found in the outskirts of the capital and cities of the interior, according to reports from the neighboring country.

Rightist groups have killed five youths who were distributing foodstuffs to the town of Zacatecoluca, 57 km southwest of San Salvador.

Relatives of the victims, including an 18-year-old student, reported their disappearance since last Wednesday.

In Santa Ana, located in the western part of the country, several bodies showing signs of torture were found, it was learned.

Meanwhile, the peoples revolutionary bloc is continuing to occupy 20 churches in San Salvador to protest the killing of Prof Hector Ramon Guardado, a teachers union leader.

The occupation of the churches coincides with the first anniversary of a police and army massacre in the metropolitan cathedral which left a toll of tens of persons killed and wounded.

Most of the churches occupied by men, women and children have been surrounded by army tanks and armored vehicles.

Meanwhile, it was learned that several former ministers and collaborators of Gen Carlos Humberto Romero's administration, implicated in a frustrated coup against the civilian military government, left the country for the United States.

Ultrarightist organizations have demanded the release of Maj Robert D'Aubuisson, who was arrested together with other officers and civilians accused of heading the plot, and threatened to increase the wave of killings if they are not released.

AGRARIAN REFORM TECHNICIANS MAKE DEMANDS

PA090255 San salvador EL MUNDO in Spanish 7 May 80 p 1

[Excerpt] Some 800 technicians of the agricultural sector involved in the agrarian reform process began a strike today demanding a 450 colones monthly raise and the compliance with a number of conditions revealed today in a general assembly of the Salvadoran Institute of Agrarian Transformation (ISTA).

The strike involves agricultural engineers and technicians, social workers and personnel stationed throughout the country at lands seized by the agrarian reform. The technicians are asking for salary increases, since the institution has secretaries earning 900 and more colones while some agricultural technicians in the field earn 700 colones.

Other demands include:

1. A 60,000-colones life insurance policy.
2. Suspension of repression against technicians and peasants.
3. Indemnity for technicians who have suffered incidents during the agrarian reform process.
4. Nonreturn of lands occupied during the first stage, even though they may not be within the area limits, because this leads to abuses.
5. Prompt solutions of credit requests at the Agricultural Development Bank.
6. More gasoline available for work programs.
7. Elimination of administrative bureaucracy.
8. Assignment of vehicles according to the human and physical needs of each property and that these vehicles will not be assigned for paying workers on ranches.
9. No repression against the technicians on strike.

The demands were presented to ISTA President Rodolfo Viera, who analyzed the demands before the delegates and said in regard to the salary increases that: "I am fully in agreement. I believe it is a just demand. Hunger has no use for politics and only asks for food. Today beans and eggs are more expensive. If a technician goes to eat at a ranch, he is charged more because he is believed to be earning a large salary."

CSO: 3010

FUNDS FROM BOND ISSUE TO BE USED IN AGRARIAN REFORM

PA110438 San Salvador LA PRENSA GRAFICA in Spanish 10 May 80 pp 5, 50

[Text] Some 7 million colones which were surplus funds from bonds issued in 1979 by the Salvadoran Institute of Agrarian Transformation [ISTA] will reinforce the financing and operation of the agrarian reform process currently underway in the country.

The basis for this decision is found in Decree 209 [as published] of the government junta which created the program of attached lands under the agrarian reform.

It was explained that this program is aimed at funding the acquisition and operation of the lands attached by the agrarian reform under the provisional administration. The funds will be used to maintain the equipment and installations, to improve the cattle in the production units and to promote those activities which will contribute to guaranteeing sufficient income to the peasants so that they can take care of their families.

It was explained at the Agriculture and Livestock Ministry that it is not true that Decree 207 is aimed at dividing the land into parcels.

"No attempt will be made to divide the land into parcels," it was said regarding the basic agrarian reform law. The farms will continue to operate as economic units with the same peasants working them by forming cooperatives or any other type of rural community.

Decree 207, that is the law for the attachment and transfer of farm lands to those who directly work it, will not promote the parceling of the land because the sharecroppers and the tenants will continue to work on the land they have been sowing. This means that the agrarian process will leave current agricultural operations intact.

It was also said that the technical and credit assistance is a determining factor in strengthening the implementation of Decree 207 for the benefit of sharecroppers and tenants who will become proprietors.

In replying to questions and consultations, the Agriculture and Livestock Ministry reported that the beneficiaries may make down payments on their land and that if they pay cash, the ISTA will reduce the price for the land up to one-third according to a special regulation.

MUNICIPAL MAYORS REPORTEDLY RESIGN

PA091530 San Salvador EL INDEPENDIENTE in Spanish 7 May 80 pp 1, 2

[Text] Members of the top leadership of the Nationalist Democratic Union (UDN) have said that "municipal mayors appointed by junta supporters in several parts of the country, resigned and left many vacancies, to avoid being accomplices to the wave of killings being committed by the government junta against the people through the military and paramilitary forces which obey the orders of the oligarchy and yankee imperialists, who have ordered some lukewarm reforms that have been preceded by death and terror."

They added: "We do not want the people to continue to be deceived and we do not want to continue deceiving ourselves with the belief that we can detain the wave of putrefaction which is undermining a system that is drowning in the blood shed by the people."

"It is no longer possible to believe that the reforms will help to improve the people's standard of living, as long as they remain trapped in a vicious closed circle of the deteriorated image of petty politicians [as published], persons who have good intentions but lack experience and the persons who really manage politics in the country. And many, while the gringos continue to dictate their orders from the bunker of the luminous fountain," they added. [sentence as published]

"The UDN has always wished to be the representative of the people. It has always maintained within its ranks men and women who desired the real welfare of the fatherland, not just simple slogans to be waved in front of television cameras or to impress reporters of commercial newspapers."

"We were trying to remain in local governments in the somewhat naive belief that we could do something. However, now that we realize that the situation has not changed at all, that the oligarchy continues to be the master, that imperialism continues to dictate the way in which we Salvadorans must live and that every day we move further away from social justice, we have decided to withdraw from everything that represents a link with the band that is assassinating the people," they said finally.



AMBASSADOR TO GUATEMALA COMMENTS ON MIGRATIONS

PA101415 Guatemala City Radio Mundial in Spanish 1410 GMT 9 May 80

[Distributed by Inter-Central American Radio Organization]

[Text] Francisco Bertrand Galindo, the Salvadoran ambassador in Guatemala, said yesterday that we are sure that Guatemalan territory will not be used to perpetrate action against the government or people of El Salvador.

During an interview in his office in Zone 9, he referred to the presence of military officers of deposed General Romero in Guatemala. The words of President Lucas are worth their weight in gold for us, said the diplomat. That is why we trust that there will be no military action against our country from Guatemala.

President Lucas has assured us of this, explained the diplomat. The presence of officers of General Romero's deposed regime have been sighted on previous occasions, said Mr Beltran. However, El Salvador is guarantor and promoter of the right of asylum and as long as these officers do not violate the law, we will have no objection to their residing in Guatemala, he added.

Until now, the Salvadoran Embassy has no proof that these officers have violated the regulations on asylum, said our informant.

Queried about the migration of Salvadorans to the neighboring nations, especially Guatemala, he analyzed the situation. Due to El Salvador's overpopulation, there have always existed migration movements, some successful and others that failed.

This time, there has been a migration that could be considered normal, he added, although there are persons of various social classes who have left El Salvador because they do not agree with the social reforms issued by the present government junta.

Concluding, he referred to press reports to the effect that the embassy had been fired upon by unidentified persons. There was no such attack against the diplomatic mission, said the ambassador, and I must admit that the agents that guard it do so with zeal and dedication. They reported that no such armed attack had occurred last (?week) and the strongest were the members of the embassy [sentence as heard].

FAPU VIEWS INDUSTRIAL REACTIVATION COMMITTEE

PA090416 San Salvador EL INDEPENDIENTE in Spanish 7 May 80 p 7

[Paid advertisement by the United Popular Action Front]

[Excerpts] With great pomp and the greatest secrecy the government has created a "interministerial committee to reactivate the industrial sector." This is an attempt in vain to solve the deep economic crisis affecting this sector as a result of the deep and irreversible structural, political and economic crisis affecting our country.

This committee which, according to a communique, is composed of the most "brilliant" technocrats which the present military-Christian Democrat dictatorship has found among its many government officials, revealed its most servile oligarchic and proimperialist attitude, both in the "brilliant" analysis it made to explain the present crisis, as well as in the plainly reactionary "solutions" it proposed. Let us see how it explained the existing critical situation in the industrial sector.

According to these gentlemen, the crisis to a great extent reflects the Central American regional crisis which during recent decades has suffered from the shrinking of markets, excessive population, scant payment capacity, decreased international credits and other problems. Although they admit domestic causes, they blame foreign causes, mainly the world capitalist crisis, for most of the evils affecting the "national" industry.

However, things become clear when these gentlemen begin to define the specific problems demanding solutions, which together with a lack of capital (which they do not say has been withdrawn by the cowardly oligarchy living in Miami), the lack of credit and the scarcity of foreign currency, they mention "absenteeism, slow downs and the reduction of production levels." They lack the courage to explain that the alleged "absenteeism" or "slow down" is nothing but the wave of heroic strike movements and strikes promoted by a working class which is no longer willing to support the incredible degree of exploitation to which it has been submitted for many years. This situation has been concealed with the demagogic slogan that the Salvadoran people are the "hardest working in the world."

Salvadorans have been among the most exploited people in the world and while during the past decades the industrial oligarchy and yankee imperialism became rich, our workers became poorer and poorer.

The "brilliant" committee does not mention these matters and the anguished call to reopen some factories and prevent the closing of others is not due to a concern for the fate of the 15,000 workers and their families which are without income because of the closing and looting of many factories, but to support an economic system and a regime which have shown that the working class situation interests them only to the extent that they need it to deprive it of the wealth which only the workers can produce.

This is why the reopening of factories with worker participation should be accepted, but care should be taken to defend the legitimate rights won with the blood of many fallen companeros, and that this new participation should not mean the accepting of sacrifices such as a reduction or freezing of salaries, or the loss of other rights won by the labor movement during recent years.

CSG: 3010

INDUSTRIALISTS COMPLAIN ABOUT GOVERNMENT INDIFFERENCE

PA102354 San Salvador DIARIO LATINO in Spanish 9 May 80 pp 2, 22

[Text] Nothing has been said at the Economy Ministry about the industrial sector's complaint that the indifference of those authorities toward problems in that area has become an obstacle to the development of manufacturing activities.

The executives of those enterprises have commented that in spite of the official statements the ministry made about 2 months ago, to the effect that an industrial reactivation plan had been implemented, the truth is that time has gone by and the industrialization process has continued to come across the same obstacles that existed before the plan was announced.

As a result of this, it has been pointed out, industrial activity is heading in the direction opposite to the announced official objectives.

It is acknowledged that the government's intentions have been praiseworthy. Their objectives, however, have not been supported in practice, because the industrialists have continued coming across old obstacles when trying to solve their problems or to overcome hindrances. Business executives find it difficult to explain those problems personally to the officials in charge of resolving them because the latter are never available.

According to our sources, the industrial sector has remained optimistic despite the difficult circumstances which have tested its dynamism. This is why it deplores the reluctance with which the Economy Ministry is furthering the industrial reactivation.

If indeed there is a desire to revitalize the above-mentioned process, the ministry should give priority to the claims, consultations and activities of businessmen. Only in that manner can a contribution to the expansion of that sector be made.

CSO: 3010

**28 FEBRUARY PEOPLES LEAGUES APPEAL TO SERVICEMEN**

PA100135 San Salvador EL INDEPENDIENTE in Spanish 8 May 80 p 13

[Paid advertisement by the 28 February Peoples Leagues]

[Excerpts] Message of the 28 February Peoples Leagues to soldiers, non-commissioned officers and officers. Our people have been subjected to a voracious exploitation by the oligarchy and U.S. imperialists who for many years have kept us in miserly and unjust living conditions. They have compelled the people to build a powerful and fighting revolutionary movement which marches victoriously toward the riddance of the yoke of exploitation and domination.

Within this situation, the role played by the army has been to guarantee and be the military force that can, at any time, take up arms and be used by the enemies of the people against the great poor majorities in the country.

The soldier comes from poor and exploited peasant families where he has felt first hand, since childhood, the conditions of misery and ignorance in which he has lived in his village. The soldier is practically roped like an animal and taken to the garrisons by force.

The soldiers, noncommissioned officers and officers, must be aware that their post is beside their families and beside the poor and working people from where they come and not beside the corrupt and murderous oppressors who only want to use you as an instrument to remain in power and extend the exploitation of the people.

Servicemen, do not kill and repress your people. On the contrary you should struggle besides the people and be alert to the opportune moment in which you must aim your gun at the oppressors and those who order you to murder the people. Your duty is to be with the people and not against them.

CSO: 3010



## BRIEFS

**PUNISHMENT OF COUP ACTIVISTS**--[In process] if this happens, we have already discussed this within the party, the Christian Democratic Party (PDC) would not be willing to stay in the process. It would withdraw from the government. We cannot permit--now after the PDC has taken a decisive step to support the armed forces--great pressures to force the authorities to release the main culprits. It is very possible that all those arrested are not guilty to the same degree but some of them are fully responsible. We wish to make it very clear: we cannot continue to go along with the process if the guilty persons are not punished. [Text] [PA110011 San Salvador Radio Cadena Central in Spanish 2137 GMT 9 May 80]

**GROUP JOINS LEFTIST COALITION**--A new leftist organization joined the revolutionary coordinating board of the masses. The Popular Liberation Movement (Movimiento de Liberacion Popular--MLP) joined during an event that took place at the Law and Social Science School at 1000 today, in the presence of the Nationalist Democratic Union, United Popular Action Front, Peoples Revolutionary Bloc and the 26 February Popular Leagues. Simultaneously, the MLP becomes part of the Executive Committee of the Revolutionary Democratic Front. [Text] [PA100323 San Salvador Radio Cadena Central in Spanish 1655 GMT 9 May 80]

**RIGHTIST COUP EXPECTED**--The Salvadoran National Liberation Movement is expecting a coup d'etat from reactionary sectors or a U.S. military intervention, either by its own forces or by mercenaries. [Text] [PA102100 Managua Radio Sandino in Spanish 1800 GMT 10 May 80]

**RECRUITING APPEAL**--Yesterday at 1212 the Peoples Liberation Army (EPL) sent a revolutionary message which reads as follows: Attention, attention, this is an EPL communique. Salvadorans, we hereby make a revolutionary and fighting appeal for you to enroll and join the EPL. The time is drawing near. The enemies of the people--the oligarchs, the bourgeoisie, the fascist militants, puppets of imperialism--can no longer resist the force of the people which will soon attain its liberation. We have already grown tired of reforms, massacres and persecutions. With the EPL, supported by the Salvadoran people we shall defeat the enemy. The Popular Liberation Forces (FPL) inform the people that victory is drawing near. We only need the support of the people contributing with food, medicines, used clothing and whatever it can give. Let us all contribute and join the peoples committees in

districts and settlements and do not pay attention to others but the Farabundo Marti FPL. Salvadoran companero, join in the name of the Peoples Revolutionary Bloc. We urge you again to join the EPL and follow the specific instructions of the FPL, vanguard of our peoples revolution. Coups d'etat are not good for the people. The only sure way is the FPL. We ask the people not to believe in any coup d'etat because the future of the people is not a matter of placing and removing yankee imperialist puppets. Let us all heed the call of the EPL and the FPL. [Excerpts] [PA100116 San Salvador EL INDEPENDIENTE in Spanish 8 May 80 pp 1, 2]

**NEW WORKERS' WAGES**--A new minimum wage for industry, commerce and services became effective yesterday. These are the minimum wages for those working in San Salvador, Ayutuxtepeque, (Justatancinco), Apopa, Delgado, Soyapango, Ilopango, San Marcos, Antiguo Cuscatlan and Santa Tecla: for an ordinary workday, a wage of 11 colones. Workers of commerce, industries and services in the rest of the nation, 10 colones per day for an ordinary workday. Labor authorities have announced that employers not abiding by these wages will be fined up to 500 colones per violation of Decree 20 containing the new wages. [Text] [PA100223 San Salvador Radio Cadena YSKL in Spanish 1323 GMT 9 May 80]

**ERP PLANTS BOMB**--A powerful bomb destroyed the building of the Credito Inmobiliario Corporation (Credisa), a savings and loan association located on 1st East Street and 4th South Avenue in Usulután at 0445 this morning. This station has learned that the bomb was placed there by the Revolutionary Peoples Army (ERP). The building in question is 200 meters from the Usulután police post and 100 meters from the national guard garrison. The Credisa installations were completely destroyed. The ERP left signs there claiming responsibility. [Text] [PA110033 San Salvador Radio Cadena Sonora in Spanish 1410 GMT 10 May 80]

**DOCTORS, NURSES DENOUNCE KILLINGS**--Doctors and nurses have denounced the disrespect for hospitals. Doctors and nurses who work in this capital said the identity of those who kill patients inside hospitals without caring about the harm that they may inflict on the other patients or the lives of hospital personnel is well known. They noted that six patients have been violently killed in medical centers in San Miguel, Santa Tecla, Usulután, Chalatenango and this capital. The latest case is that which occurred at noon yesterday inside the Rosales Hospital when a group of men shot Hector Lenus Rosas, a patient, to death. The doctors and nurses said if these incidents continue they will be forced to carry out stoppages to demand respect for their work and the hospitals. [Text] [PA082351 San Salvador Radio Cadena YSKL in Spanish 1823 GMT 8 May 80]

**ANDA WORKERS CONFLICT SETTLED**--The conflict over wage demands at the National Administration of Waterworks and Sewers [ANDA] was settled yesterday when the workers, represented by their union, accepted an increase of 115 colones per person, outside of the general increase offered by the revolutionary government junta for government employees. The movement had caused setbacks in ANDA activities because operations were halted for 4 days to support their demands. [Text] [PA100212 San Salvador Radio Cadena Central in Spanish 1445 GMT 9 May 80]

CHURCH RECONCILIATION SUPPORTED--San Salvador, 8 May (AFP)--Political sources have commented here that the occupation of five churches in San Salvador and its environs by leftist militants today is related to a "new offensive" announced by the leftist groups for 20 May. According to reports received by the newspapers from parents, leftist groups are presently starting an intensive campaign to recruit youths, whom they urge to "struggle for the people in the 20 May offensive." According to the same reports, "the recruits" are trained in camps located in the areas of Chalatenango to the north and San Vicente, in the eastern part of the country. These are two of the most convulsed areas in El Salvador. Meanwhile, the Defense Ministry is remaining completely silent regarding news from Honduras that thousands of Salvadorans residing in the border regions have fled from the bombing carried out in various towns where insurgents are believed to have hideouts. Finally, it was reported here today that, because of the difficult situation it is facing, El Salvador will not participate in the Miss Universe Beauty Pageant this year. [Text] [PA091346 Paris AFP in Spanish 0542 GMT 9 May 80]

TERRORIST ACTIONS REPORTED--San Salvador--Complete mystery and silence prevailed last night in El Salvador in official circles on the grave differences which have emerged within the Salvadoran armed forces following the arrest of rightist retired Maj Roberto D'Aubuisson, who has been accused of being involved in a coup d'etat thwarted in San Salvador last Friday. The complete government junta, the high command of the armed forces and 25 military commanders from throughout the country were meeting behind closed doors at the presidential house to analyze the existing situation, apparently in tense discussions. A number of terrorists actions have occurred in El Salvador in the last 15 hours with the participation of activists from Marxist-Leninist groups which operate illegally. Several vehicles were used as roadblocks in streets of towns close to San Salvador while propaganda leaflet bombs were exploded in central San Salvador. Santos Rauda Martinez, a student belonging to the revolutionary movement of high school students, was machinegunned outside the Joaquin Rodesno School, in downtown San Salvador. [Text] [PA091347 San Jose Radio Reloj in Spanish 1200 GMT 9 May 80]

PANAMA CANAL NEUTRALITY RATIFIED--San Salvador, 10 May (ACAN-EFE)--Salvadoran Foreign Minister Fidel Chavez Mena said today that this country has become the second country to ratify the neutrality of the Panama Canal and at the same time is joining those which support declaring the Caribbean area a peace zone. The high-ranking official stated that on 1 May, the Salvadoran ambassador to the OAS deposited the ratification document concerned with the Isthmian Canal. Chavez stressed that El Salvador is a nation with pacifist beliefs and reiterated its solidarity with the Republic of Panama. [Text] [PA110039 Panama City ACAN in Spanish 1638 GMT 10 May 80]

MINISTERS REPORTED UNOFFICIALLY--We will now repeat unofficial information we have received. We were told this morning that Carlos Duarte will be appointed new minister of education. Duarte will occupy the post from which Dr Eduardo Colindres resigned several days or months ago. Duarte previously held an important post in the Salvadoran Social Security Institute. We were also told unofficially that Atilio (Deites) will be appointed planning minister. The education minister position has been vacant since last week when the incumbent resigned. Deites occupied this post during the government of Col Arturo Armando Molina, resigning from the post along with Minister of Agriculture and Livestock Enrique Alvarez Cordova. [Text] [PA101523 San Salvador Radio Cadena Sonora in Spanish 1755 GMT 9 May 80]

## VIOLETA CHAMORRO RESIGNATION DISCUSSED

### Resignation Seen as Political

Guatemala City EL IMPARCIAL in Spanish 22 Apr 80 p 2

[Commentary by Mario Ribas Montes]

[Text] We don't believe a word of the story put out by the international press to the effect that widow Violeta Barrios Chamorro resigned from the Nicaraguan Government junta for health reasons. Dona Violeta returned a short time ago from a trip to Europe, and in the pictures taken on the occasion of her visits with certain personages she looks quite healthy. The official story is that she dislocated a foot, but that is no reason to take such an important step as resigning from the government.

The same international press agencies that published that version later raised doubts about it, claiming that Mrs Chamorro resigned for political reasons, specifically because she did not agree with the expansion of the Council of State in order to include more radical elements. The council has legislative authority, and it is easy to see the danger of giving a majority to the Marxists in such an important task.

Dona Violeta's resignation coincided with a sort of crisis in the newspaper she owns, LA PRENSA, which was the forum used by her illustrious husband Pedro Joaquin Chamorro in his struggle against the Somoza dictatorship. Caples said yesterday that the "board of directors" of LA PRENSA, or the Chamorro family, had removed editor Javier Chamorro from his position. The firing of Chamorro, one of the late journalist's brothers, resulted in a strike by the workers.

Although we have had no personal dealings with Dona Violeta, we were friends with her late husband, whose democratic ideals were familiar to us. It was Pedro Joaquin's dedication to liberty that led him to become a tenacious opponent of the Somoza regime. For that reason we never expected his wife to fit into a government that is rapidly moving toward communism. We are not surprised by her resignation now, as it is proof that the distinguished lady realized the direction in which the new Nicaraguan regime is moving.



If Pedro Joaquin were alive, it would undoubtedly be a serious problem for the Sandinists because it would be hard for them to shunt aside a man as prestigious as he. Those of us who knew him know that he would not beat about the bush in denouncing the harsh reality of the Nicaraguan scene.

Dona Violeta lent prestige and authenticity to the regime that emerged after Somoza's fall. Thus, her departure deals it a severe blow, which had to come sooner or later. We are not sure of the truth of reports that she left Nicaragua as soon as she resigned, but if she did not do so she will have to leave in the future. She would be running a risk to her personal safety if she stayed in Nicaragua.

Dona Violeta's resignation and the LA PRENSA crisis are two indications that something is happening not only in the heart of the Chamorro family, but on a national level, probably as part of the struggle for supremacy in power. There are strong sectors that oppose the pervasive presence of Cuban advisers in Nicaragua, for example, because they know the danger posed by such advisers particularly in a country where there was no politics at all for nearly half a century. The people are inexperienced.

We are especially concerned about the fate of LA PRENSA, because it is certain that the regime will not allow it to maintain an independent stance or to disagree with official positions. Thus, it will have to cease to exist, or adapt itself to the policy of the most extremist groups in the government. The current crisis, in particular the workers' strike, illustrates the Nicaraguan regime's willingness to exert all kinds of pressures on Pedro Joaquin's newspaper. The illustrious journalist never would have stood for that, and apparently Dona Violeta will not put up with it either.

In the next few days we will probably know a little more about Dona Violeta's resignation and its consequences, not only with regard to the regime's reputation, but also the political implications. There is even talk of other resignations by high government officials, which also reveals a silent struggle. This morning the cables brought news that another moderate member of the government junta, Alfonso Robelo Callejas, had resigned, following in Dona Violeta's footsteps. Although Robelo Callejas has not dislocated his foot, he does not want to continue to be associated with a government whose political persuasion can be smelled a mile off.

#### Indication of a Crisis

Guatemala City PRENSA LIBRE in Spanish 24 Apr 80 p 2

[Text] One might think it a natural part of the process of Sandinist expansion in Nicaragua to have two resignations in less than two weeks from the government junta, still known as the National Reconstruction Junta, that governs that Central American nation.

So we should not be surprised that almost immediately after Dona Violeta de Chamorro resigned from the junta, Alfonso Robelo also tendered his resignation.



Robelo was supposed to represent the liberal political elements of the country in that government. His departure, like Mrs Chamorro's, is simply a logical consequence of the attempt to clear the way for a total radicalization to make everyone conform to the socialist state desired (at first secretly) by those who overthrew Somoza. In such a situation, obviously, those who were used as a smokescreen to cover the true nature of the new system would eventually become superfluous and, ultimately, by gravitation, would have to be eliminated. Such is the case with the widow of the indefatigable journalist, politician and dissident, Pedro Joaquin Chamorro, and with Robelo, a true liberal.

There have been a lot of comments about Mrs Chamorro's resignation. In fact, her inclusion in a predominantly Marxist government could be explained in the heat of the triumph over Somoza, against whom Dona Violeta was a relentless adversary; but many of us who knew the assassinated politician, who was completely opposed to communism and even made harsh public statements to that effect, could not understand her action. Given those circumstances, it is clear that the widow never should have accepted the job. Now she has resigned on the pretext of health problems (a dislocated foot), but it is difficult to make the excuse jibe with the serious nature of her move.

Robelo has been more open. His resignation was due to political reasons, as he was practically excluded from participating in the new Council of State which is controlled by the communists. This is a reason that has not been gone into in enough detail. The expansion of the body that controls the government was subject to a restructuring which guaranteed the absolute dominance of the Sandinists; that is, with the purge of the junta itself and the consolidation of political and administrative powers in the hands of ad hoc bodies, plus the adoption of a police state bearing the stamp of the Cuban-Soviet model, socialist totalitarianism will have been imposed once and for all.

Public opinion in Latin America is appalled that Washington is still turning a blind eye to this situation (as illustrated by James Cheek's bald-faced mission) in its obsession for making the other Central American nations accept the Sandinist regime. This seems to be happening in the tragic events that are taking place in El Salvador.

8926

CSO: 3010

COLUMNIST SAYS NICARAGUANS SHOULD HAVE SEEN FSLN'S LEFTIST TREND

PA131316 Guatemala City PRENSA LIBRE in Spanish 5 May 80 p 10

["Cacto" column by Alvaro Contreras Valez: "Sandinist Promises and 'Moderate' Businessmen"]

[Text] On 22 May 1978, when we were analyzing the reasons why, according to political observers, Somoza's fall was taking so long, Cacto mentioned among others "the fear that the country will fall into communist hands." On that same subject, this column stated on 14 August 1979 that "according to the predictions made more than 1 year ago, Nicaragua will go from a rightwing dictatorship to communist totalitarianism."

The fear that the Marxist-Leninists would control power is proof that the Nicaraguans already knew the background of the Sandinists and where they would take the country. And they knew this because far from hiding it, the Sandinist National Liberation Front (FSLN) openly and frankly proclaimed it to Nicaragua and the world in its ideology and creed.

The documents expressing the FSLN's ideology were widely distributed inside and outside Nicaragua. In the document on its ideology, the FSLN stated that "we are a group of patriots united by a single concern: the freedom of our people and that of all peoples of the world oppressed by capitalist exploitation and the imperialist yoke."

However, in its creed, the definition was clearer and more emphatic: "We believe in Marx because we trust in the future of peace, abundance and happiness that socialism will give the working man here on earth. We believe that socialism is the phase of social development toward which humanity is definitely headed, promoted by the historic force of an irreconcilable class struggle."

Cacto asks: If this was known, read and understood by even the most humble and ignorant Nicaraguan peasants and workers, how is it that the educated, trained and moderate Nicaraguan businessmen did not read and understand this?

Regarding the private sector, the FSLN creed is, as Fernando Alba would say, crystal clear: "We believe in socialism as the government system under which the sources of production will be owned by the only productive and socially useful class: the working class."

Didn't the moderate businessmen who are today surprised and angry that the Sandinists have not kept the promises they made before Somoza's fall realize all this? How can they say they were aware of such revealing documents?

It must be inferred that some of them saw what was coming but either because of their interests or their naivete, they believed the Sandinists' offers and joined them thinking that in this way their interests would not be affected or their economy destroyed. In other words, they played the sad role of useful fools.

There is something else that is absurd: The fact that it is not until now that they feel affected by the nonfulfillment of promises when the confiscation of properties, the bank nationalization, the creation of the Sandinist Defense Committees (which are the same as the Cuban Defense Committees and whose mission is to watch and persecute those suspected of being against Sandinism) and other radically socialist measures have already been implemented.

We think that it is a little too late to realize what is occurring in Nicaragua.

CSO: 3010

COMMENTARY NOTES OIL MONEY SHOULD BE USED TO SUBSIDIZE FUEL PURCHASES

PA081630 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 6 May 80

[Unattributed commentary: "General Price Increase, What Can Be Done?"]

[Text] Guatemalans are experiencing one of their worst moments; they are facing a general price increase. The prices of all products without exception have been hiked 10, 15 and 25 cents in shops and grocery stores and by street vendors.

It would be long and tedious work to detail each of the products, but the hike is general and now it can indeed be said that life in Guatemala is expensive. The price hikes include food products, clothing, shoes, candy, entertainment, medicines, bread, tortillas, fruits, and so forth. To this we must add the public services with the exception of public transportation vans. It might be said without exaggeration that there is nothing on sale which has not undergone a price hike.

A new fuel price increase has already been announced for June this year and by then, frankly, we don't know what might happen. Neither can one imagine what would happen if at last the government yields to the demands of the owners of the urban vans and the price of this manner of transportation is raised to 10 cents.

When we say we don't know what will happen, we're not referring to any possible conflicting differences between producer and consumer. Not at all. We are referring to the price hikes that would inevitably be derived from a new fuel price increase, including a rise in the fare paid in vans.

It is for this reason that we have suggested that the government should not put the money it obtains from the sale of Guatemalan oil into any account with the vague idea of building schools and health centers, constructing roads and so forth. Those works can be perfectly financed with money that is not obtained from the sale of Guatemalan oil. That sacred money, obtained from a national wealth, should be immediately reinvested to subsidize the purchase of fuels abroad.

Our idea has already been rejected by a ranking government official, whose opinion we respect. But, this very idea was set forth by one of the columnists of the newspaper PRENSA LIBRE and we thought there was some basis to it.

At the risk of being regarded as poorly informed, Guatemalans do not understand, nonetheless, why the oil in our subsoil does not help stop the constant hikes in the price of fuels, which are the cause and the consequence of the recent general price increases of all products without exception.

The government must interpret correctly the popular feeling in order not to make deplorable errors. The general price hike must stop. Otherwise, people will be pushed to privations of all kinds, which will serve only to generate much disconformity and who knows what unfortunate consequence.

We believe the government is very interested in having Guatemalans live well, without discomforts and contributing with their work to the country's future. But, we repeat, it is necessary to stop the price hikes, many of which are the result of abuses nobody can control. It is urgent that mechanisms be found to discourage these abuses, not in a lyrical way, but in a real, precise and unobjectionable manner.

CSO: 3010



## GUATEMALA

### PRESIDENTIAL OFFICE NOT AWARE OF INFLUX OF SALVADORANS

PA091752 Guatemala City Domestic Service in Spanish 1230 GMT 9 May 80

[Text] Regarding rumors that hundreds of Salvadorans have entered the national territory as refugees because of the crisis in their country, well-informed sources have said that so far there is no specific indication that such immigration of Salvadorans is taking place and that if this had been the case, custom agents would have reported the situation [words indistinct] Guatemala.

When Toledo Vielman [presidential public relations secretary Carlos] was asked about insistent reports that many Salvadoran refugees have entered Guatemala, the official recommended that the Foreign Ministry, which handles this type of matter, be consulted in this regard.

Toledo Vielman said, however, that his office has no report on the entering of refugees.

A massive influx of refugees has taken place in Honduras. According to reports from Tegucigalpa, there has been an exodus to Honduras of Salvadoran refugees who feel threatened by the political crisis in El Salvador as a result of clashes between leftist and rightist forces.

Most of the refugees are peasants who have been affected by the civil war which in El Salvador takes place in the rural areas.

At the beginning it was believed that the same flight of refugees could be taking place on the border with Guatemala.

CSO: 3010

## GUATEMALA

### BRIEFS

**PHILIPPINE PRIEST KIDNAPED**--The magistrates of the third and fourth courts of appeals looked yesterday in various detention centers for Philippine priest Conrado C. de la Cruz who, with another youth, was kidnaped Sunday in Escuintla, where he was carrying out his religious activities. The search was reportedly unsuccessful because the priest was not in any of the places where the magistrates showed up in response to the petition of habeas corpus filed on his behalf. The security bodies informed the magistrates that no arrest warrant has been issued against priest Conrado C. de la Cruz which might have led to the belief that he had been detained. Magr Mario Enrique Rios Montt was the one who filed the writs of habeas corpus on behalf of Father de la Cruz and Herlindo Cifuentes. [Text] [PA072124 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 7 May 80]

**KIDNAPED LABOR LEADERS FOUND DEAD**--Most of the labor leaders of the Ray-o-Vac Factory workers have been missing since 1 May and have, therefore, delayed the discussions of a collective work contract at the Labor Ministry. Officials of this ministry revealed that the discussions had to be suspended because the labor leaders did not attend. Nine of the labor union members were kidnaped at the trade hall shortly after 1200 on 1 May, at the end of a meeting at the Centennial Park acoustic shell. Three of the kidnaped leaders were found dead in San Cristobal District in Zone 11, and the others are still missing. The dead union members are Judith Gonzalez, her brother Edgar and a cousin. [Text] [PA100403 Guatemala City EL IMPARCIAL in Spanish 3 May 80 pp 1, 9] According to police, the bodies of nine men who had been shot to death were found today on Guatemalan territory. The National Central of Workers claims that two of these nine dead were labor leaders kidnaped during the Labor Day parade. [Text] [PA082213 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 8 May 80]

**GUERRILLAS OCCUPY PLANTATIONS**--Guatemala City, 12 May (ACAN-EFE)--Police reported today that 60 guerrilla, members of the leftist Armed Peoples Revolutionary Organization (ORPA), took over La Union and Tacana plantations in Nuevo Progreso, San Marcos Province. The guerrillas held propaganda meetings, attacked military police guarding these private properties

owned by Salvadoran businessman Antonio Borgonovo and stole several weapons. Two military policemen and one civilian were wounded and Basilia Lopez, wife of one of the watchmen, was shot and killed while she was in bed asleep, it has been reported. The guerrillas left in one of the farm's buses, which they later abandoned 5 km away. (Text) [PA121924 Panama City ACAN in Spanish 1415 GMT 12 May 80]

**BELGIAN PRIEST MURDERED**--Guatemala City, 12 May (AFP)--Walter Bordeker, a Belgian priest, was murdered this morning in Santa Lucia Cotzumalguapa, 90 km south of here. The 41-year-old Catholic priest was assigned to the parish, in the heart of the country's sugar area, 3 years ago when he arrived from Belgium. Several days ago leaflets appeared accusing him of being a communist. There is no report so far on who murdered the missionary, whose body probably will be sent to Belgium. Local firemen reported that Bordeker was machinegunned as he was walking to the post office. Meanwhile, Filipino priest Conrade de la Cruz Concepcion, who was kidnaped on 1 May in the capital, is still missing. He had been working in Escuintla Department. So far there is no report on who kidnaped him. (Text) [PA121931 Paris AFP in Spanish 1842 GMT 12 May 80]

**POLITICAL VIOLENCE**--Guatemala City, 12 May (LATIN)--A Belgian Catholic priest and a leader of the rightist National Liberation Movement (MLN) were killed today in two separate incidents in the interior. While the Belgian priest was being attacked in Zacapa, 200 km northwest of here, two unidentified men entered a clinic and assassinated MLN General Director Luis Alberto Orellana Alvarez. Orellana had been hospitalized for almost 1 month, recovering from injuries sustained in another attack in which one of the members of his party had been killed. According to police, the two men disarmed the guards and fired pointblank at the MLN leader's face, killing him instantly. The attackers escaped without being identified and as of noon no extremist organization had claimed credit for the assassination. (Excerpts) [PA122008 Buenos Aires LATIN in Spanish 1918 GMT 12 May 80]

**TWO BODIES DISCOVERED**--The police today reported that the body of a youth who had been kidnaped by several armed men on 1 May was found today with bullet holes and signs of torture. His left leg had also been amputated. The victim was identified as David Eduardo Leal Heredia who had participated in the 1 May demonstration. His decomposing body was found yesterday in the Ciudad San Cristobal neighborhood. Leal Heredia was a worker and was mentally disturbed. In the same neighborhood, the body of an unidentified man was also found. He had also been shot to death and showed signs of torture. The body was taken to the general hospital morgue by order of the judge in charge of the investigation. (Text) [PA130414 Guatemala City EL IMPARCIAL in Spanish 6 May 80 pp 1, 2]

**MLN INTERNAL PROBLEMS**--According to Gonzalo Yurrita Cuestas, secretary of organization of the National Liberation Movement (MLN), the party is now in the midst of a serious crisis between the conservative line, led by

Leonel Sianiega Otero, and the liberal line led by Deputy Jorge Torres Ocampo. The secretary of organization added that the internal MLN conflict is not new, but has been going on for some time, especially since Deputy Jorge Torres Ocampo published a political analysis of the country in a pamphlet. [Words indistinct] said the crisis had become evident with that publication because in Torres Ocampo's analysis one could infer a criticism of internal MLN policy and of party conduct as outlined by its leaders. Finally Yurrita Cuestas said it is evident there is a crisis within the MLN because Torres Ocampos liberal line is totally opposed to the rigid and conservative position held by representative Leonel Sianiega Otero. These are Yurrita Cuestas' exact words. [Excerpts] [PA081750 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 6 May 80]

1979 EXPORT FIGURES--The Economy Ministry issued the results of statistics carried out by the Foreign and Local Trade Directorate last year regarding the country's main exports. The export figures are as follows: 183,736,846 kg of raw sugar valued at 35,403,900 quetzales; 3,327,517 kg of white refined sugar valued at 1,158,919 quetzales; 1,387,040 kg of cacao beans valued at 4,422,088 quetzales; 1,309,860 kg of frozen shrimp valued at 8,624,941 quetzales; and 15,296,519 kg of fresh meat shipped to the United States and valued at 38,600,199 quetzales. [Guatemala City Domestic Service in Spanish 0030 GMT 15 Apr 80 PA]

EARTHQUAKE SHAKES CAPITAL--Guatemala City, 13 May (ACAN-EFE)--A strong earthquake today shook this capital and its surroundings causing general alarm among the population. The earthquake took place at 1121 (1721 GMT) and its intensity was approximately grade 3 in Richter's scale. The epicenter could have been in the Pacific Ocean, the report says. [Text] [A131850 Panama City ACAN in Spanish 1735 GMT 13 May 80]

CSO: 3010

MANLEY PREDICTS DIFFICULT TIME AHEAD FOR PNP

FL091420 Kingston DAILY GLEANER in English 6 May 80 pp 1, 13

[Interview with Prime Minister Michael Manley]

[Excerpts] Port-of-Spain, 5 May (CANA)--The Jamaica Prime Minister, Michael Manley, in an interview published here, said his People's National Party (PNP) could have a "tough time" trying to secure a five-year mandate from the electorate.

But in the wide-ranging interview with THE EXPRESS newspaper published yesterday and today, Prime Minister Manley said he felt his party's record of achievement would give it the edge over the opposition Jamaica Labour Party (JLP).

In the interview Manley rejected opposition claims that he was considering the declaration of a state of emergency. He also indicated he regretted signing an agreement with the IMF two years ago putting Jamaica into the fund's "grinder."

On the election, a date for which has not been set, Manley said: "We have a tough time, we are behind (in the campaign) now. But I don't think we are going to lose it...we have a tremendous record of achievement in this country which people are going to remember when we hit the road."

On the violence, Manley said: "All the talk about trying to set up a state of emergency is all part of the ...deliberate attempt, in my view, to heighten the state of hysteria and tension in the society."

"The cabinet in fact issued a statement (that) the government has no such intention either, with respect to military solutions or with states of emergency."

On the agreement with the fund, Manley said: "If I knew everything then that I know now, the answer is that I would not have entered into the 1978 agreement."

Stick and Carrot

"What happens is you visit a certain shock of sacrifice on the society, reducing standards of living very suddenly and reducing internal expenditure



very suddenly. In the confident expectation that the stick and the carrot (compressed internal demand and a heavy devaluation to bolster exports) will produce within a year, at most two, the result of a resurgence of exports and the bringing of the economy back into balance," Manley said.

"And provided productive capacity is there, of course, this can work, a bit harsh, but it works.

"But what happens in a developing country, by contrast, is you will have a certain proportion of your economy that reflects a sophisticated productive capacity, but the fundamental problem of a developing society is that its productive capacity is inadequate to meet the total social need.

"Therefore, when you apply this kind of harsh compression, stick and carrot monetarist solution the proportion of your economy that can respond to that is small in relation to the needs of the society as a whole.

"As a result, you are then trying to visit upon a society a very harsh sacrifice without the capacity to pull out of the difficulty...in two years. The existing productive machine cannot pull you through that crisis in a year or two. You really may need five, six, seven years in which to develop a great productive capacity."

#### Different

On his knowledge of the full implications for the Jamaica economy before the IMF agreement, Manley said: "To have been aware of this in the sense of hearing it as a sort of theoretical proposition is one thing.

"To have lived through the experience is something completely different. At the time when we first went to the IMF we had no experience of any of this at all, and it seemed that all the conventional wisdom was that this was, the only way to go. This is the only thing you can do, and so one took that course and did one's best to make it work, or try to make it work. "We really tried to make it work."

CSO: 3020

## NICARAGUA

### REPORTAGE ON REACTION TO ROBELO'S RESIGNATION

#### PPSC Voices Views

Managua BARRICADA in Spanish 24 Apr 80 p 7

[Text] "The resignation of engineer Alfonso Robelo in no way hinders the national unity policy," Cesar Delgadillo, secretary general of the Christian Socialist People's Party (PPSC), said in an interview with BARRICADA.

First of all, the PPSC regards engineer Robelo's resignation as a development occurring in circumstances in which other different attitudes or situations have occurred on the national scene.

However the situation has no relation at all to the resignation of Mrs Violeta de Chamorro and the suspension of activities at the daily newspaper LA PRENSA.

Delgadillo added that the PPSC believes that Robelo's resignation is in fact a consequence of the position adopted by the MDN [Nicaraguan Democratic Movement] after the meeting held at the Espana Multiple Sports Facility.

#### National Unity Unaffected

He said that if the national political picture is analyzed, it will be seen that after the statement made at the Espana meeting, Robelo was dedicated neither to the revolutionary process nor to the Nicaraguan people and that therefore he diverged too far to be devoted to the Patriotic Front of the Revolution.

Therefore, according to Delgadillo, the MDN fell numerically within the Patriotic Front of the Revolution but was not committed to it, such that the withdrawal of that political group in no way hinders National Unity.

The PPSC confirmed that the National Unity movement is made up solely and exclusively of all of the political groups committed to the revolutionary process, which is nationalist, democratic and pluralistic, within the

revolutionary context and not the parameters of the attitudes of traditional groups or parties of a nonrevolutionary inclination.

#### Council of State

In view of the situation existing in our country, and in connection with the statement by the MDN to the effect that it will not participate in the Council of State, the secretary general of the PPSC said that this will not hinder the establishment of that council.

He said that the revolutionary process is irreversible and that this minor circumstance (the withdrawal of the MDN) will in no way delay the establishment of the Council of State, much less be considered as a factor threatening stability.

#### Revolutionary Settling

On the subject of whether the PPSC believes Robelo has the support of a large part of the private sector and the right wing in the country, Delgadillo told us that the PPSC believes that these circumstances which are developing represent a settling of our revolutionary process, as has happened with other revolutionary processes.

He said that the only thing which counts in a revolution is the people, and not some social strata or economic power groups which define their positions when their economic interests are regulated and incorporated within the context of the revolution.

Moreover, he said that at no time can one say that there are opposing forces within the Nicaraguan people, because it was the Nicaraguan people who were exploited, oppressed, harassed, murdered and tortured, and who are promoting the revolution.

He said that these small groups which do not come within this definition are those which cannot support the revolutionary process, and while adaptation is occurring these minor, predictable inconvenient situations develop, as they would not if these forces were truly revolutionary.

And being revolutionary, he said, does not mean either egotism or personalism but committing one's life, to the ultimate consequences, for the liberation of the vast majority, which is what the revolutionary process is doing.

#### Close-Knit Process

Our interlocutor also discussed the maneuvers by the reactionaries to destroy stability and the all efforts to promote crisis evidenced on the part of international groups dominated by the imperialists and domestic reactionaries.

As a consequence, he said, the fact is that the Nicaraguan revolutionary process is more close-knit than ever, since the Nicaraguan people are aware that for the first time in their republican history, they have a government legitimately placed in the vanguard by the people themselves, through the FSLN [Sandinist National Liberation Front], and all the organizations which support the Sandinist People's Revolution.

### Support Confirmed

In conclusion, Delgadillo said that the PPSC reaffirms its adamant struggle in favor of the revolutionary process.

He said that it has faith and confidence in the heroism of our people and totally supports the National Reconstruction Government Junta and the FSLN, and he confirmed that the PPSC, today more than ever, supports the process, participates in the process and regards the workers and peasants, along with children, as the beneficiaries of the revolution.

### Opinions of Other Organizations

Managua BARRICADA in Spanish 25 Apr 80 pp 1, 12

[Text] The mass organizations of the Nicaraguan people termed the resignation of Alfonso Robelo from the National Reconstruction Government Junta as betrayal of the confidence placed in him by the Sandinist National Liberation Front.

"Robelo represents himself and as such he has betrayed the confidence placed in him," Patricia Orozco, secretary general of the Sandinist Defense Committees in the country, said this morning.

"Unity is based upon the workers and the peasants and his resignation cannot affect the alliance policy," added Ivan Garcia, secretary general of the Sandinist Workers Federation (CST).

At a press conference, Francisco Lopez of the ATC [Agricultural Workers Association], setting aside considerations of Robelo, announced the convocation of the national assembly for next Monday, at which the delegates to the Council of State will be elected.

In all of the views expressed by the leaders of popular organizations, which we describe below, they indicated that Robelo represents his own personal interests rather than those of groups, private business or political parties, as has been claimed.

Both his incorporation in the government junta and his resignation were based first of all on the confidence placed in him personally, and secondly on the satisfaction of his own personal political plans.

"The resignation of Alfonso Robelo represents a betrayal of the national reconstruction process. On being appointed as a member of the government Junta it was not as a member of any political, trade union or labor group, but because of the confidence he merited," Patricia Orozco, secretary general of the Sandinist Defense Committees, said.

"His position in resigning can only be termed a betrayal, since he is in practice opposing the participation of the organized people in the Council of State."

She added that in recent weeks the participation of the ATC, CST, 19 July JS (Sandinist Youth) and the Women's Association in the Council of State has been questioned.

"This means denying the people the right to be represented in a popular forum. Using the slogans and the statements of General Sandino to seek to promote his own political proposals is also a betrayal," Comrade Orozco added.

#### Support of the Junta

She explained that in the past 24 hours, the Sandinist Defense Committees throughout the country have been analyzing the situation so that our common people can become aware of the maneuver Robelo and a group of his friends are trying to carry out.

"His resignation does not really mean much. He is only one individual, in whom confidence was placed, who has now withdrawn," she said.

She stated that the policy of national unity is not threatened because Robelo only represented himself within the National Reconstruction Government Junta.

"Even the rank and file levels within his own Nicaraguan Democratic Movement are questioning his attitude. In fact, national unity is strengthened because his resignation makes it clear who stands with the Nicaraguan process and who is opposed to the people's interests," she added.

Comrade Orozco made it clear that this is a maneuver on the part of Alfonso Robelo because he wants to be free of commitments to the people, represented by his inclusion in the National Reconstruction Government Junta, in order to be able to pursue his personal ambitions.

#### ATC Moves Forward

Meanwhile, Comrade Francisco Lopez of the ATC, setting aside the campaign designed to manipulate Alfonso Robelo's resignation in order to promote the image of an artificial crisis, said that his organization is moving forward.



He explained the democratic way in which the peasants and workers in the rural sector will elect their delegates to the popular forum.

The holding of a meeting on Monday in Managua to elect these delegates is the best answer the people's sectors rallied in this organization can give Robelo. "In reality, nothing has happened here," Comrade Lopez said.

#### Driving Forces of the Revolution

"The CST believes that unity depends basically on the driving forces of the Sandinist People's Revolution--the workers and the peasants--and therefore the resignation of Alfonso Robelo does not affect the national unity policy promoted by the FSLN."

This statement was made by Ivan Garcia, secretary general of the CST in connection with the resignation of Alfonso Robelo.

He added that since the strength of the workers and peasants is the basis of unity, it is they who have demonstrated their total support and recognized the FSLN as the legitimate vanguard.

In this connection, he said, the decision of Robelo and some other businessmen is not the legitimate expression of the patriotic sectors of the bourgeoisie, which are truly interested in undertaking the task of rebuilding our country.

#### Council of State Unaffected

Comrade Garcia was asked if the CST believes that the resignation of Robelo will affect the establishment of the Council of State, the colegislative body which will be the expression of all the sectors of the country.

He answered as follows:

"The CST believes that the decision of some isolated individuals cannot threaten a democratic undertaking which has won broad support from all sectors in the country."

He made this statement and said that "in recent days, other political and trade union organizations, in addition to the Sandinist Mass Organizations, including the Independent Liberal Party, the Christian Socialist People's Party, the CGT [General Labor Confederation] (I), and the CAUS, have confirmed their determination to participate in the Council of State.

"This shows that Robelo's decision has had no effect at all. Quite the contrary. The organizations mentioned above have seen in the FSLN and the revolutionary government a hard political line and a noble spirit of democracy and unity," the secretary general of the CST noted.

He said that this political maturity is expressed through the profound conviction maintained by the FSLN to the effect that national unity of all the patriotic, democratic and revolutionary forces is necessary for the reconstruction of the country.

#### An Effort To Destroy Stability

Since Robelo's resignation comes at a time when the literacy campaign is being pursued and the beginning of the new farm season in our country is approaching, what do the workers think about it?

Comrade Garcia said first of all that with the overthrow of Somoza's military dictatorship, the imperialists lost the apparatus enabling them to keep the Nicaraguan people under domination.

At this point, he said, when the imperialists saw a true people's revolution developing in our country, they had no alternative but to plan to reorganize the most reactionary forces in this country.

This is designed to interlink them with the strategic proposal being pursued in the Central American region, which is nothing less than a plan to destroy the stability of our revolution and to restrain the advance of the Latin American peoples, particularly the struggle of the people of El Salvador.

As a result, our interlocutor noted that it is of great significance to the workers that the reactionary forces are trying to reorganize precisely when the new farm season is about to begin in our country, in particular for the cotton crop.

He said further that this campaign is occurring while our people are devoting their energy to promoting all of the tasks required by the revolution. It is also at a time when thousands of young people are in all corners of the country carrying out the noble task of eliminating illiteracy.

#### The People's Choice

"The people have learned to distinguish who are their friends and who are their enemies," Comrade Garcia said.

He added in this connection that the people have already made their choice, voting in the rebellion at the barricades for Sandino, Carlos Fonseca and the FSLN. Thus the people know well who merits the Sandinist uniform and who does not.

And the people, he noted, are aware of who helped in their struggle for more than 20 years and who came out against the dictatorship at the last moment, after it began to affect the interests of private enterprise.

Comrade Garcia said that during the 9 months of the revolution, the masses have shown who is their vanguard in all their mobilization.

Speaking of the demonstration planned by the workers in the rural sector and the cities for this coming 1 May, Comrade Garcia noted that they will reassert the vanguard role of the FSLN once again.

#### Blocking Reactionary Maneuvers

"We will show them that we are opposed to the maneuvers of the reactionary sectors and make it clear that we workers will carry out the tasks of the revolution," he said.

In conclusion he stated that on 1 May, the workers will show their mobilizing capacity, along with the other mass organizations.

He added that they will know how to use this rallying capacity in peace and in war, in construction and in the defense of the revolution.

"We will show that we workers continue to understand that the slogan 'Fatherland or death' is and continues to be valid.

"We workers, with our vanguard, constantly reiterate that there are more than 2 million honest Nicaraguans who will carry through to the end with the Sandinist People's Revolution," Comrade Garcia said in conclusion.

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## NICARAGUA

### FURTHER REPORTAGE ON ROBELO'S RESIGNATION

#### Robelo Termed 'Disloyal'

Managua BARRICADA in Spanish 25 Apr 80 p 3

[Editorial: "Robelo Was Warned by the Vanguard, But Withdrew From the People and the Revolution"]

[Text] Robelo's inconsistency and disloyalty to the revolutionary process is an attitude of which his opposition to the establishment of the Council of State was not the first evidence. Long before, his practical behavior revealed positions openly in contradiction to the proposed profound socio-economic changes being promoted within the framework of the national reconstruction program. However, our leaders did not answer Robelo with this same type of concealed or open attack, but with mature, responsible and persuasive attitudes. In this connection, the statement issued by our national leadership on Wednesday, 19 March in connection with the maneuver and the attacks which reactionary sectors within the MDR (Nicaraguan Democratic Movement), headed by Robelo, had been orchestrating against revolutionary national unity and Sandinism should serve as an historical testimonial to the readiness of our organization to maintain national unity.

To refresh the memories of our people and the world, we are quoting some of the main paragraphs of this statement:

"In recent days, a proselytizing campaign organized by the Nicaraguan Democratic Movement, in which we have noted the inclusion of a series of propaganda resources, has been waged. In its presumed function of winning the sympathies of various sectors of the country, it is distorting the historical truth of the Sandinist revolution and the basic conquests won under the administration of the revolutionary government.

"We must warn that the MDR campaign has been undertaken in a situation in which the government is struggling to overcome tremendous economic and social difficulties inherited from the Somoza era, while at the same time reactionary sectors in the United States, and now with the CIA participating, are working together to prevent the people of the United States from giving

economic aid to Nicaragua, and while the pro-Somoza enemy and the traitorous bourgeoisie are refining their plans to hinder the advance of our process.

"For this very reason, and conscious of our duty to safeguard the national unity of all the consistent and democratic forces in the country, we point out the danger that such attitudes as these may become, even though this is not the intention of the leaders of the MHN, an intermediary platform for more reactionary elements which could certainly take over this movement, through divisive efforts which we would like to avoid through proper reflection.

"The assurances given by engineer Robelo, the MHN leader, to the effect that what is intended is consistent work within the revolution is encouraging to us, although we would note that to revive the political movement he heads, he is making unprecedented use of attacks in various directions on activities of the government of which he himself is a part, at the highest level, and therefore has a reasonable duty to strengthen it rather than weaken it, even if only in the political interests of his own party."

It was thus necessary, and continues to be necessary now, to make every effort to safeguard national unity, and Robelo's maneuver, reaching the point of demagoguery, dishonesty and opportunism, in an effort to undermine the foundations of the revolution, should be made very clear. His attitude in opposing the literacy campaign, the opportunistic use he sought to make of Sandino in order to win legitimacy which he has found nowhere, and the irresponsible manipulation of religion in order to generate anti-Sandinist attitudes were but the coarse demagogic cover to conceal his true vacillating and antipopular positions.

When the time came to choose, Robelo did not take the side of the people and the revolution, but moved away from it, again using dishonest resources. The progressive and consistently democratic sectors of the MHN now have the tremendous responsibility of struggling to ensure that their movement is not transformed into the banner of the reactionaries but fully contributes to forging a democratic fatherland free of exploitation. Our people know that they can no longer count on Robelo. And the people's masses should begin, as of the demonstration in Managua tomorrow, to show their unity, rallying around the revolutionary government and our Sandinist vanguard. The popular response should be resounding: No to opportunism, yes to revolutionary national unity!

#### Military Viewpoint Voiced

Managua BARRICADA in Spanish 26 Apr 80 pp 1, 7

[Text] Guerrilla Commander Dora Maria Telles stressed that the FSLN [Sandinist National Liberation Front] had made no agreement or pact at the Puntarenas meeting a few days after the triumph of the revolution, but



that our vanguard proposed the government plan and the participation of all the forces in the Council of State.

The above was explained at the celebration of Latin American Secretary's Day. Cdr Dora Maria Telles noted that these political sectors, accustomed to the pacts of the Somoza era, believed that "a pact was implicit" in the Puntarenas meeting.

"It was presumed that the matter was settled, but these vacillating sectors were wrong about the consistent position of our vanguard, the FSLN, which is opposed to pacts."

In that connection she warned that the resignation of Robelo was intended to create a fictitious crisis, the purpose of which, although it failed, could have led as a consequence to the isolation of the revolution. He does not want any country to contribute or negotiate with our revolutionary process, she added.

"This is political irresponsibility, an attempt to exert pressure rather than to win political power."

She then voiced a thought about the martyr Ricardo Morales Aviles. "It is not the same position to ask to participate in the government as to seize power for the people."

With his resignation, Alfonso Robelo hoped that the FSLN would reach agreement so as not to withdraw from the National Recovery Junta.

"And all of these events were designed to create a crisis which I would call instead a "minicrisis."

It is indeed true that the news has had repercussions on the international level. It created a clamor in the international news agencies, which with blind zeal are seeking to distort the image of the revolution.

And in this "minicrisis," even Nicaraguan journalists representing reactionary interests have irresponsibly flooded the world with slander, trying to provoke an artificial crisis.

Guerrilla Cdr Maria Telex said that the result of the "minicrisis" mounted by engineer Robelo brought his own isolation as a result.

"Engineer Robelo remains alone. No one went along with him in his political adventurism, as he hoped they would," she said.

"Some members of the minority MDN, because the only majority here is the people, when they learned of the resignation of the businessman Robelo, whose dishonest and sectarian attitude did not have the impact he hoped,

immediately decided to withdraw their resignations from the state ministries."

To a question from a young man as to whether the National Reconstruction Junta will take steps against Robelo, she said that the people will take the steps.

She then said that our army has a right to participate in the Council of State with its delegate.

The comrade also discussed the main theme of the Latin American Secretary's Day celebration.

She stressed that under the old regime the secretary was regarded as an object. Enterprises usually looked for well-groomed and made-up secretaries without concern for competence.

The secretary was a shadow, and had no importance as an individual.

People with limited resources took up secretarial studies for lack of money, not out of interest.

Our revolution, however, has given the secretary a true place as an active worker.

#### Results of the Resignation

Managua BARRICADA in Spanish 27 Apr 80 p 3

[Editorial: "Political Suicide"]

[Text] The resignation of engineer Alfonso Robelo from his responsibilities in the national reconstruction government caused nothing like institutional instability or any similar crisis. On the contrary, it strengthened the combative spirit and revolutionary awareness of the people's masses and the sectors supporting the Sandinist People's Revolution.

This resignation was nothing but political suicide by the most reactionary sectors of the MDN, headed by Robelo, and those who sought to derive profit from a "crisis" which they thought they could create.

Once again our people have undertaken to remind the fabricators of our crisis that our revolution is a true one, that it will not retreat and that there is no maneuver by the reactionaries or the imperialists which can cause even the slightest instability whatsoever in our real political and social situation.

Those who are thinking of trying to attack our revolution in an economic, political or military way should keep it very clear in their minds what

the workers, peasants, organized women, children, Sandinist youth, members of the Patriotic Front of the Revolution and other patriotic sectors living in the city of Managua demonstrated at yesterday's gathering: our people will not let themselves be deceived nor allow their conquests to be taken away.

Thus Robelo too has been left without the support of those he believed could aid him, because one must be too deluded, one must have lost his reason and his head, not to realize that the national reconstruction government is entirely committed--and it has demonstrated this--to guaranteeing productive activities in all sectors. Already our government has taken specific measures in practice, such as the renegotiation of the outstanding balances or debts of private business to the state, the promulgation of the law on the income tax and the taxes on production, and the making of facilities available to producers.

Robelo no longer has the support of any but those who have always been against the Sandinist People's Revolution, the most recalcitrant sectors of imperialism and the domestic reactionaries, and with his resignation he has gone to join them outside the framework and opposed to the impetuous advance of the people's masses and the other honest sectors who are firmly and with determination building the society of free men.

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**'BARRICADA' SAYS ROBELO HEIR TO SOMOZIST ANTICOMMUNISM**

PA130149 Panama City ACAN in Spanish 1821 GMT 12 May 80

[Text] Managua, 12 May (ACAN-EFE)--The newspaper BARRICADA, organ of the Sandinist Front, today described Alfonso Robelo, former member of the governing junta and who on Saturday spoke about a possible Soviet intervention in Nicaragua, as "heir of Anastasio Somoza's anticommunism."

BARRICADA in its editorial comments on Robelo's speech at the rally of the Nicaraguan Democratic Movement (MDN) [said]:

During a political rally at "Matiguas" in the northern department of Matagalpa, he implied the advance of "communism" in this Central American country "through a disproportionate Soviet diplomatic mission." He also reaffirmed that he is not among the opposition "but in the true revolution" and accused the government of indoctrinating the public employees in Marxism-Leninism.

"As in the case of Somoza, Robelo's anticommunism is nothing but the demagogic cover of his hatred of revolutionary Sandinism and of the people in power today," the BARRICADA editorial states.

It adds that "after his ridiculous separation from the governing junta, without having obtained support from any of the important sectors of the country, it was expected that Robelo would resort to something more sensationalistic to attract attention, and what could better suit his purpose than the Somozists' own demagogy?"

The article notes that "without giving it a second thought, in an open field rally at Matiguas, he picked up the ant'communist banner which Somoza dropped in his stampede toward Paraguay. Now the genocide has an heir of 'high standing,' because he has outshone Somoza, himself, when he said shamelessly that he resigned from the junta to raise from the countryside Sandino's shout of fatherland and freedom."

"That phrase was sufficient to show the demagogic extremes to which Robelo has gone," said the newspaper in its reaction of Robelo's speech.

BARRICADA maintains that Robelo's hatred is directed at the hundreds of thousands of workers and peasants who were present at the Plaza de la Revolution on 1 May "to support our Sandinist vanguard and the governing junta and to express their joint decision to constitute the workers' single central."

"It is"--it adds--"the hatred for those majorities who have firm representation in the 'State Council' that compels Robelo to call them 'totalitarian'; it is his anger, provoked by seeing thousands of young crusaders, teachers and workers, teaching the people to read and write so that they may never again be manipulated by an exploiting minority, that prompts him to brand the literacy crusade as 'communist.'"

The editorial adds that "Somoza was never able to fool the Nicaraguan people with his anticommunism because he could not hide his antipopular and proimperialist interests, and was never able to distract the people's drive for their liberation."

Further on, the editorial indicates that "it is the entire revolutionary process and the decisive support it has received from all sectors that support national unity, that perturbs Robelo to the extent of forcing him to leave the government and now announce 'a totalitarian future.'"

BARRICADA concludes "It is no use then for him to continue his hysterical attempt to raise the anticommunist banner, because in practice he already has shown his true attitude and the interests he defends."

CSO: 3010



**PARTIES TO MEET SOON ON WHETHER TO ATTEND STATE COUNCIL**

PA091746 Panama City ACAN in Spanish 1630 GMT 9 May 80

[Text] Managua, 8 May (ACAN-EFE)--This weekend is expected to be a very active one politically in Nicaragua, where the three parties that have not yet joined the State Council installed here on 4 May are expected to make specific decisions.

So far, 44 of the 47 delegations have accredited delegates who have been attending the State Council's sessions.

The Nicaraguan Democratic Movement (MDN), which has not yet decided to join that auxiliary legislative body, has announced a proselytizing meeting in Matiguas, a distant municipality in north Nicaragua.

The local political circles are predicting that top MDN leader Alfonso Robelo Callejas, who recently resigned from the government junta, might announce some party decision in the speech he is preparing.

The Nicaraguan Social Christian Party, which has not joined either, is engaged in consultations and is even contacting the government junta members in order to make a decision.

Meanwhile, the Democratic Conservative Party of Nicaragua is reportedly active preparing its national convention, where it will decide whether it will join the State Council.

In yesterday's session, the council agreed to ask those parties that have not yet joined the colegislative body to do so in order to achieve national unity and political pluralism.

The Independent Liberal Party, a political organization that has always upheld the banner of Sandinism in this country, will also hold its national assembly here in the capital on Sunday.

Meanwhile, the seven organizations that comprise the private sector's top body are in permanent session to "consolidate a truly Nicaraguan

revolutionary process in accordance with the ideals that motivated this revolution."

Regarding this, the private business sector has described as "positive" the meetings it has held with representatives of the government's top echelons.

CSO: 3010

ARCE COMMENTS ON STATE COUNCIL, COSEP

PA091958 Managua Sistema Sandinista Television Network in Spanish 0200 GMT  
9 May 80

[Text] State Council president Commander Bayardo Arce described as important the motion made by Dr Alfonso Moncada [representative of Nicaraguan professions on the State Council] to appeal to the patriotism of the organizations which have not joined the council.

[Begin Arce recording] My opinion was reflected by my vote, which was the same vote cast by all the members of the State Council. This has an importance which must be highlighted.

We have said that the State Council is an institutional instrument to promote, develop and strengthen national unity. This spirit of unity has been manifested in this proposal made by Moncada, seconded by Commander Cabezas and later unanimously approved by all us members, but it was also manifested in the very dynamics of this, our first session, which was designed to establish the mechanisms for our operation. Let us hope the political organizations which have not attended the session will reflect on the significance of this attitude which prevails in all the organizations that are members of the State Council and that, as Commander Cabezas said, they will decide to come and strengthen this beautiful national unity as expressed by our State Council.

[Question] Commander, turning to another subject, how are the talks with private enterprise going?

[Answer] We wish to note that the talks with private enterprise have been focused upon by certain media with a tendency toward yellow journalism as if they constituted something extraordinary or very special.

Talks with the Higher Council of Private Enterprise [COSEP] were institutionalized a long time ago, so much so that we recall that once the newspaper LA PRENSA said that there would be a symbolic red telephone line between the government junta and the COSEP. There have also been talks between COSEP and the National Directorate [of the Sandinist National

Liberation Front] and what we did recently was to combine these talks to give greater viability, greater effectiveness, greater flexibility to the treatment of various problems.

The talks with COSEP will never end. They will continue permanently, just as there will never be an end to the talks held by the government and the National Directorate with the parties which make up the Patriotic Front for the revolution, with other political parties interested in such talks, or with labor unions through the National Intersindical Commission.

In other words, it is a characteristic and a constant feature of the government and the National Directorate to be open to dialog and to be in continuous communication with all the productive, economic, social and political forces of the nation so that together we can move ahead in our process.

The counting of the meetings with COSEP reflects the yellow journalism which seeks to give a sensationalist character to those meetings, as if it were not a longstanding, continuous and permanent practice of the Sandinist Front and the government to have a dialog with all sectors.  
[end recording]

CSO: 3010

INAUGURATION OF STATE COUNCIL VIEWED IN COMMENTARY

PA062132 Managua Domestic Service in Spanish 0330 GMT 6 May 80

[Station commentary]

[Text] The installation of the State Council 4 May, the day of national dignity, constitutes another step in the consolidation of our revolution and in the people's participation in the decisions that will be made in our country in the future. The composition of the State Council expresses the complete consolidation of opinions, which is again proof of our willingness to give everyone the opportunity to participate in our [word indistinct]. No one can now say that political pluralism does not exist in our country and that the doors are not open to every positive or opposed, but constructive, critical opinion.

The State Council includes even political organizations which, due to their size, would in other countries not obtain the necessary proportion to become part of a legislative body. This is one example of the pluralistic position of our political leadership.

Naturally, the atmosphere of freedom and guarantees which our revolution offers to express opinions for or against does not provide the right for some individuals to abuse and exceed the practice of destructive, sensationalist and false criticism. Everyone has the right to criticize. What cannot be permitted is the right to slander, to invent situations, to exaggerate facts or to distort the truth of our process.

The representation of the clergy in the State Council is proof not only of the unified spirit of our leadership but the respect and support for religion among our people, a feeling which has not and will never be affected by our revolution.

The start of the work of our State Council is another lesson of our revolution, a denial to its enemies who see ghosts in every corner of Nicaragua and a demonstration to our people of the fulfillment of the promise made by our vanguard, whose concern for the people's consensus and the opinion of the masses is fundamental in its decisions.



GUATEMALAN EMBASSY REFUGEES STAND; GOVERNMENT CRITICIZED

Foreign Ministry Bulletin

PA091943 Managua Radio Sandino in Spanish 1800 GMT 9 May 80

[News bulletin of the Nicaraguan Foreign Ministry issued on 9 May--read by Foreign Ministry press official Eligio Alvarez Montalban]

[Text] The Nicaraguan Foreign Ministry announces its firm position regarding the problem created by the Nicaraguan refugees in the Guatemalan Embassy in Managua:

1. The situation of indiscipline, disorder and anarchy caused by those refugees in the embassy is the exclusive responsibility of the embassy or its ambassador as established by the Geneva agreements.

Therefore, it is not the Foreign Ministry's problem if the aforementioned refugees are fed or not.

2. Regarding the request for safe-conducts which is our exclusive concern, the Foreign Ministry once again reiterates its position of continuing to analyze each individual case in line with the refugees' criminal records.

[Signed] Eligio Alvarez Montalban, chief of information and press of the Foreign Ministry

'BARRICADA' Criticizes Guatemalan Government

PA120213 Panama City ACAN in Spanish 2018 GMT 11 May 80

[Text] Managua, 11 May (ACAN-EFE)--BARRICADA, organ of the Sandinist National Liberation Front, has described the fact that the Guatemalan Government allowed the creation of a Nicaraguan Revolutionary Front (FRN) in that country and the fact that it permitted the refugees' strike at the embassy in Managua as "worrisome attitudes."

Under the headline "We Respect Others So That We Can Be Respected," the newspaper notes that a few days ago the Guatemalan Foreign Ministry denied press dispatches which reported on the creation of the FPN and the intervention of Guatemalan troops against the guerrillas in El Salvador.

The Guatemalan Foreign Ministry also expressed the government decision to not "to allow Nicaraguan refugees at the embassy in Managua to engage in acts which could disrupt the domestic tranquillity."

"Despite those announcements, incidents which contradict them have occurred. Evidence of this is the picture we are publishing in which the 'so-called' Urcuyo appears surrounded by Guatemalan deputies members of the ruling party," BARRICADA reports.

The LA PRENSA LIBRE picture shows Francisco Urcuyo Malianon, who wore the presidential sash after the toppling of the government of Anastasio Somoza when the Sandinist revolution succeeded on 19 July 1979, accompanied by Guatemalan Deputy Mario Sandoval Alarcon and other Guatemalan deputies as well as Dr Roberto Sacasa Zamora, a former Nicaraguan health deputy minister. The picture served to report on the creation of the FPN.

BARRICADA published this during the days when 16 refugees at the Guatemalan Embassy here went on a hunger strike to demand safe-conducts in order to get out of the country. Most of the refugees are former civilian officials and military officers under the Somozist regime who are accused of "crimes against the people."

"The attention focused on Urcuyo--maybe by coincidence or maybe not--is occurring precisely when a group of Somozist henchmen are putting on a show at the Guatemalan Embassy in Managua where Orlando Morales Ocon--who was Urcuyo's secretary--is staying. These attitudes are truly worrisome," BARRICADA concluded.

CSO: 3010

**ECONOMIC REACTIVATION ASSEMBLY NOTED**

**CST's Garcia Comments**

Managua RARRICADA in Spanish 30 Mar 80 p 3

[Interview with Ivan Garcia, secretary general of the Sandinist Workers Federation, at the San Antonio Sugar Mill; date of interview not given]

[Text] Minutes before the start of the Economic Reactivation Assembly of the San Antonio Sugar Mill, Comrade Ivan Garcia, secretary general of the Sandinist Workers Federation [CST], was asked by RARRICADA to comment on the significance of this event.

[Question] What is the significance of the Economic Reactivation Assemblies?

[Answer] The CST believes that the Reactivation Assemblies basically follow the guidelines laid down by the Governmental Junta of National Reconstruction and the FSLN [Sandinist National Liberation Front] to help us increase the nation's production capacity to the maximum. In holding these assemblies we are pursuing two basic objectives, first and foremost of which is to have a discussion of the most pressing problems of the workers. The other objective we seek in the Economic Reactivation Assemblies is to have the workers become aware of the problems of production, in order to determine the extent to which the reactivation program is being fulfilled.

[Question] In the opinion of the CST, how can the Economic Reactivation Assemblies contribute to the education of the workers?

[Answer] We want to promote labor discipline within the ranks of the working class. We want the workers to understand that today more than ever it is an historic necessity to increase the tempo of production. In the measure that the workers understand how much and what is being produced, and how it is being produced, they will better understand the contribution

they can make toward increasing production. The Reactivation Assemblies would be the instrument that would enable the workers to be aware of the progress of production and thereby to comprehend the necessity for greater labor discipline.

[Question] How are the preparations going forward for similar assemblies in other production centers?

[Answer] The National Secretariat of the CBT is conferring with all the Trade Union Sectional Committees and Production Councils at the various enterprises, in order that this organizational and orientational effort with respect to trade union policy may result in the holding of Reactivation Assemblies at other enterprises. The Departmental Committee in Leon, for example, will begin organizing the Trade Union Sectional Committees; and we are already making plans to hold two Reactivation Assemblies, which will be held in AGROSA and in the agrochemical industry.

[Question] How does the CBT appraise the fact that the first of the Assemblies of Economic Reactivation is being held at the San Antonio Sugar Mill?

[Answer] We believe it is very significant that this assembly is being held precisely at the San Antonio Sugar Mill, a privately owned company. It will be the first time in Nicaragua's history that management has reported--however incompletely--to the workers concerning the progress of the company.

#### Results Discussed

Managua RARRICADA in Spanish 9 Apr 80 p 3

[Article: "Lessons Learned From the First Reactivation Assembly"]

[Text] The organization of the first Economic Reactivation Assembly (held at the San Antonio Sugar Mill) with the aim of finding specific mechanisms that will ensure genuine participation by the workers in the production process and serve as a vehicle for evaluating and analyzing the performance of the management is one of the most significant and valuable steps taken by our workers to carry out their organic and political tasks in connection with the effort to consolidate their class--and all workers--within the framework of the revolution.

As we have stated, the Economic Reactivation Plan--as part of the revolution--has been designed by the FSLN to solve, in the year 1980, the principal problems that have been inherited from Somoza and 45 years of imperialist domination.

In keeping with this spirit, the Reactivation Assemblies are an instrument which contributes to the development of the consciousness of the workers and provides forms for participation and integration into the tasks of leadership and production.

On the basis of the example set by our brothers who work at the San Antonio Sugar Mill, we can infer that at this initial assembly the following aims were pursued, among others:

1. A more active participation in the process of production by the workers as they raise their level of consciousness from that of wage earners to that of workers in the production effort. Achievement of this objective, however, will lead to personal commitment and assist in defining mechanisms for control, vigilance, evaluation and worker participation in the management functions only in the measure that all aspects of the production process are learned and the principal problems facing that process--and the workers--are identified. [as published; point "2" missing]

What other tasks have the San Antonio comrades set for themselves in the light of this broad, overall objective?

1. To review the performance of the company, and to subject to analysis and revolutionary criticism all sectors involved in production; that is to say, the management and workers in general.

2. To promote--on the basis of the aforementioned analysis--unity among the workers of the center, with the aim of achieving higher levels of productivity and thereby to reactivate our economy for the benefit of the people while assigning secondary importance to questions relating to working conditions and/or wages.

3. To reaffirm the right of the working class freely to organize (that is to say, the class as a whole, as a single organic and political expression) by means of a continuing dialog with management in the form of a direct discussion of the problems of production; and to propose a joint solution of these problems in accordance with the interests of the revolution, which is to say, in accordance with the interests of the people.

4. To reaffirm forcefully the role of the FSLN as the vanguard of the workers and peasants and of the entire Nicaraguan people, who have historically been the victims of exploitation.

To achieve these basic objectives, the comrades of the San Antonio Sugar Mill made use of the analysis of the concrete realities to define--in the light of the tasks of the revolution, as they are envisioned in the Economic Reactivation Plan--the role that corresponds to each sector and to the production center as a whole.

In accordance with the criterion of the collective, the comrades prescribed (as a means to this end) the study of the Reactivation Plan, whereby the participants will be assigned their specific tasks once those tasks are identified.

1. The production goals of the ISA [International Sugar Agreement].



2. The principal problems relating to production at the center.
3. The principal social difficulties of the workers, and how these difficulties impact on production.

Ten comrades from each production line--that is to say, railway workers, vacuum pan operators, mill operators and so forth--were present during the entire assembly. After completing their study of the Economic Reactivation Plan, these comrades had continued to work as a committee to investigate--in a collective manner--everything pertaining to their individual production lines.

All the delegates met to prepare for the Reactivation Assembly and presented--production line by production line--the data they had obtained from their investigations. The first of these reports were hesitant and incomplete, mainly because of the lack of experience of those who presented them. As report after report (based on CBT guidelines concerning the objectives of the investigations and how to conduct them) was presented, however, the results steadily improved and the comrade workers gradually lost their stage fright. These plenary meetings enabled the workers to understand--in addition to their own individual production lines--the complete production process.

Following these plenary meetings, the delegates began a series of sectorial meetings for the purpose of sharing with the rest of the comrades of their respective production lines the results of the investigations that had been conducted in all the study circles 10 days prior to the Reactivation Assembly.

The delegates then informed the management of the workers' decision to hold the assembly, in order that the management might prepare its report.

In view of the importance of these activities, the delegates decided to meet with the comrades of the Ministry of Planning, INRA [National Institute for Agrarian Reform, AGROINRA and the Chinandega CST to learn in greater detail the information that these entities have utilized with respect to the sugar industry and thereby to avoid being deceived.

Then, on the day before the assembly, they met with the board of directors of the union and with the personnel in charge of the individual sectors of production to clarify the objectives and procedures of the assembly and to finalize the details.

It is important to mention that when the management viewed the evidence of the work accomplished by the comrades it attempted to boycott the assembly by staging a campaign to discredit the union's board of directors and the CBT leadership, in an obvious desire to divert the attention of the assembly, divide the workers and transform the Economic Reactivation Assembly into an assembly for the election of a new board of directors.

In response to the action of the management, the workers formed groups of comrades who went from house to house explaining the nature of this maneuver while others were making the preparations for the assembly.

Then, in a demonstration of great political maturity, the workers decided to clarify the campaign of disparagement and to hold the assembly as planned. Under the slogan, "one's dirty linen is washed at home, and we're not going to let them laugh at us and divide us," the workers consolidated their class position on the eve of the initial confrontation with the management at the assembly.

### The Assembly

The assembly featured an introductory speech and a closing speech, with the main body of the assembly consisting of the report by the management and the questions of the workers.

Despite the fact that the management's report was brief, incomplete and characterized by nervousness--perhaps because it was the first time the management had to give an accounting to the workers directly, and perhaps also because it was unwilling to give the workers the complete report on the production at the mill--the assembly was a success from the workers' standpoint.

The participation of the workers was concentrated in the form of questions prepared in advance from the results of their investigations. It is important to emphasize that only a few of the questions posed to the management related to problems concerning working conditions. The majority of the questions were oriented toward the problems of production, and not a single question related to wage policy.

Although management played the role of an intermediary and attempted to give evasive answers, it did in general assume an attitude of cooperation with the assembly.

To sum up, we can say that despite the difficulties which are typical of an initial experience, the workers achieved an historic victory over the conditions of exploitation to which they had been subjected for decades at the mill.

This important achievement reminds us that in the past the management--acting in concert with the GN [National Guard]--would attempt to inspire fear by carrying out unjustified dismissals every time the workers demonstrated their discontent or tried to organize in defense of their most elementary rights, and it also reminds us that today this tragic heritage, this myth, has been destroyed.

Our brother workers have learned through their own experience that their interests have been guaranteed by the victory of the revolution; that the management of the ISA is also subject to interrogation by the working

class; that the Economic Reactivation Assembly is a mechanism for conducting this interrogation; and that although this is a first step toward accomplishing the fundamental tasks that are the responsibility of the workers, it is necessary for us to be the guardians of production and to ensure that nothing impedes production.

The workers of the San Antonio Sugar Mill are confident that this great initial experience will contribute to the progress of the Nicaraguan working class, and that this example will yield multiple results in all production centers, production units and workers' collectives in general.

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CSO: 3010

ECONOMIC REACTIVATION PLAN DISCUSSED

Managua BARRICADA in Spanish 9 Apr 80 p 3

[Article by Jaime J. Bonilla Lopez]

[Text] Different areas of the world differ in the economic usefulness of their natural resources, in levels of technology, organization and production structures, in patterns and social, political and economic conditions, in the stages of development they have experienced and are experiencing.

When one speaks of the utilization of natural resources, one is partly referring to agriculture.

In underdeveloped countries, most of the population supports itself through agriculture. Agriculture is particularly important from the viewpoint of nutrition and education, and finally in revenue distribution to better the standard of living of the rural population. The production process of traditional agriculture is based on the land and on peasant labor, which together with capital join to create agricultural development. This involves using systems for irrigation, land improvement, agricultural mechanization, rural electrification, processing of agricultural products, in short, everything that represents improving yield and increasing production in the countryside.

In many countries the rural population has demonstrated its eagerness to abandon the poverty of the countryside to go in search of promise in the cities. But the rural population's lack of skills and knowledge makes them marginal inhabitants in the city. The result is an urban social problem.

There is a contrast between the economic gains of the highly developed countries and the underdeveloped ones, and this is the preponderance of industries in the first and of agriculture in the second.

The volume of the capital flow within and outside of agriculture depends on complicated factors which are specific for each phase of development.

The countries not aligned in UNIDO (UN Industrial Development Organization) have achieved recognition of the need to raise the economic level of the underdeveloped countries.

The Reactivation Plan proposes to increase agricultural productivity and to create ties between agriculture and industry. Regarding reciprocal relations between agricultural and industrial development, it is held that the source of industrial expansion is the economic surplus coming from agriculture.

There is great variability in the conditions of agricultural productivity which makes it very difficult to achieve an operationally useful plan in this area. The variability is partly due to the physical conditions of agricultural production, which differ from one place to another, for which reason this work is accomplished in small units of production, managed independently, and because its growth depends on the previous phases of development.

The economic nature of traditional agriculture has shown that when economic development begins, agriculture controls a large part of the economy, the lands, peasant labor and capital resources and it produces a high proportion of the national revenue.

The Reactivation Plan considers agriculture a major axis of the country's economy, and it interprets with revolutionary meaning policies of taxes, production incentives, and an increase in yield and profits, which form the agricultural outlook in Nicaragua.

As part of these measures, the rights claimed by the ATC (Agricultural Workers Association) are also being considered, regarding the justified distribution of profits derived from production to be used to motivate those who work the land.

Another idea is the creation of institutions to administer and coordinate agricultural development, as was the establishment of the Coordinating Commission for Agriculture and Livestock.

However, there are insurmountable factors, which are restrictions that all agricultural development has to encounter. One can build an industrial factory endowed with workers, guide some to manage and supervise it and others to do specialized jobs and thus achieve an economically functional institution. In sum, the technology is known, and it is applied without significant changes. By contrast, in agriculture the process of development and economic functioning depend on local natural factors, such as solar energy, precipitation, weather, space and the seasonal nature of production. As a result, it is a fact that technology cannot be simply applied but must be adapted to the particular natural conditions of an area.

Thus the careful gathering and examination of concrete data is required. Underdevelopment creates the need for greater knowledge about existing production systems and technology to achieve better results in specific situations. It is possible that the peasant may question the use of new methods and agricultural techniques because employing them causes uncertainty about the yield to be obtained.



The adoption of technical methods remains limited by the agricultural laborers' wish to continue traditional cultivation. Education must be a significant force to ruin this conflict, starting with the teaching of specific production techniques and with the gradual promotion of the need for technical methods to obtain greater yields. An agricultural administration is needed capable of applying new technology and of adapting it to the place in which it is applied.

The possible uses of the land are tied to the state of agronomic knowledge necessary for depending less on improvisation in making decision. The success or failure of development efforts in many countries will depend in large part on the extent of necessary creative and functional research to succeed in adopting the methods appropriate to each locality.

In the long term, technical methods will continually produce new techniques and new systems of production. The physical, economic and cultural variations of agriculture make it necessary to persist in research on each unit of production.

During the dictatorship, services for agricultural expansion were not very profitable because of institutional disorder and the mistaken idea that was held about them. To carry forward the application of advantageous innovations, there has to be investment in the training of human resources. The university plays an extremely significant role and has to concretely pinpoint Nicaragua's needs.

The agricultural economist together with the agricultural engineer can make a significant contribution by helping to direct sufficient resources of the country's economy to provide an increase in production with minimal cost.

With the Plan for Economic Reactivation we begin to have a definite theory of the agricultural development to be experienced in Nicaragua and of its interconnections with the rest of the economy and in this way to understand production capacity and the plan there must be for it in other phases of development to be programmed. A strong state stimulus will be needed for national trade conditions to tend toward genuine agricultural development.

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CSO: 3010

TOMAS BORGE SAYS DEFENSE COMMITTEES MUST ATTACK VICE

PA131401 Managua Radio Sandino in Spanish 1800 GMT 12 May 80

[Text] Commander Tomas Borge said yesterday afternoon in Sabanagrande that the Sandinist Defense Committees [CDS] must promote morality in their areas. He added that their main task is to eradicate vice and promote morality in their sectors in order to keep vice from affecting other people.

Borge added that all Nicaraguans must be organized and united in order to defend the revolution from all its enemies who would halt progress in our country. He also urged the people and the CDS to jointly attack areas that promote vice, such as bars which create immorality and irresponsibility among parents.

[Begin Borge recording] The CDS must, above all, be a place to solve the problems of the people. If we have moral problems, we must confront them. If there is a wayward youth, we must help his parents to keep him from straying. If there is a bar in the district, the CDS must take action to eliminate it. [Words indistinct] of which men are the most common victims. Men become alcoholics as a result of the proliferation of bars.

Vice has a multiplication factor because the drunkard is irresponsible with his family. The drunkard negatively affects his children and wife. We must take these problems in hand; we must continue with the moral campaign of the revolution. The revolutionary moral means to love others. But love toward others does not mean complacency toward the enemies of the people because we do not believe that means to love others. We believe that we must love the exploited; and to do this we have to hate the exploiters. Nevertheless, I think that in the long run our attitude toward the enemies of the revolution [words indistinct] love, because we want to change society, and eliminate the selfishness of exploiters. We want to eliminate negative attitudes. In the long run it is like dealing with a sick person, and at times we must be ruthless like a doctor who cuts out a tumor without pity in order to cure the patient.

We intend to cure society and have [words indistinct] society of men who respect each other. [end recording]

**JUNTA DECREE TO HELP PEOPLE AFFECTED BY CONFISCATIONS**

PA130314 Panama City ACAN in Spanish 2243 GMT 12 May 80

[Text] Managua, 12 May (ACAN-EFE)--The Nicaraguan Government has suspended the definitive character of the resolutions to confiscate property of Nicaraguans considered "close to Somozism."

According to Decree 38 of the government junta, the Justice Ministry had the power to decide the confiscation or intervention of assets or properties of those who allegedly enriched themselves under the protection of the Somozist dictatorship. The Justice Ministry could take this action without carrying out any process in which the person affected could argue his case.

The new law will permit the citizen facing such a charge to resort to the protection of the common courts where the Justice Ministry must prove the truth of its charges.

If the Justice Ministry has issued an erroneous decision, the Supreme Court of Justice will be able to correct it and restore the affected person's right to his property, Justice Minister Ernesto Castillo said today.

Some 2,000 cases of people whose assets have been confiscated or intervened are currently being appealed in the Justice Ministry.

The law also establishes that the Nicaraguans who, because they were out of the country, have not filed claims for their property or assets intervened by the state after the deadline of 30 days that was established by Decree 282 of March, can also resort to the legal provisions. That decree had left the government in possession of the assets once the deadline expired.

The state will now have to ask the ordinary courts to apply the new law, enabling the affected person to challenge or question the confiscation of his property.

CSO: 3010

## NICARAGUA

### SITUATION IN AGRICULTURE OUTLINED BY INRA OFFICIAL

Managua BARRICADA in Spanish 27 Apr 80 p 3

[Interview with Orlando Nunez, head of the socioeconomic studies department of the National Institute for Agrarian Reform (INRA), in Managua on 25 April, by Vilma Areas M. of the ANN]

[Text] The complicated agricultural structure in Nicaragua, the importance of collectivizing the land for the revolution, and migration from the rural sector to the cities were among the subjects dealt with by Orlando Nunez in an exclusive interview granted to the ANN [New Nicaragua News Agency].

Nunez, the head of the socioeconomic studies department of the INRA, also briefly analyzed the predominant forms of social production relations on the state farms.

The following is the text of the exchange between Vilma Areas of the ANN and Orlando Nunez.

ANN: How can the agricultural structure in Nicaragua be viewed?

Orlando Nunez: The agricultural structure in Nicaragua can be approached from different viewpoints. One description very useful to an understanding to the working class of our people is the following: There is economic space devoted to export agriculture involving well-known products such as cotton, coffee, tobacco, etc., which is highly technical and capitalized mercantile production for the export of products needed on the world capitalist market.

This sector, known as the capitalist agroexport sector, has as its complement a second sector called basic grain production, using small plots, as compared to those for agroexport (farm partners, sharecroppers, tenant farmers and small holders) who rent their land from an estate owner. This is a traditional form of production relations. I said that the second sector complements the first, because it produces the basic goods necessary for the working class as a whole in Nicaragua, and in turn produces a seasonal labor force absorbed by the capitalist agroexport production. These two

sectors make up what we call the capitalist model of agroexport, which is the same as saying developed capitalist production for the world market, combined with underdeveloped peasant production which serves to contribute basic goods and a labor force for this first sector.

This capitalist agroexport model is typical of the socioeconomic structure of the Central American region, characterized by this capitalist agroexport model.

There are tremendous contradictions in this model. On the one hand, it depends basically on the world market, and on the other it does not entirely absorb the labor force of our people, since its productive cycles are seasonal, whatever sector we consider, thus keeping a large part of the Nicaraguan farm labor force in a structural situation of permanent or seasonal unemployment.

Another important element in describing the socioeconomic structure of Nicaragua is the existence of great inequalities: assets, means of production, land, in this case, are concentrated and held in a few hands, and the vast majority of the semiproletarian peasantry has no access to the land, and therefore is plunged in unemployment and misery.

This social disparity, opposing the rich minority classes on the one hand and the impoverished majority on the other, is a contradiction from which these societies have suffered, a contradiction which in many cases has developed into conflict and given rise to a very strong socio-political challenge of the political and economic regimes in our societies on the part of the rural working classes.

The Somoza dictatorship, which was the apparatus representing the domestic and foreign interests of the capitalist class, and which also defended the interests of the large estate owners, could never provide a solution to the rural problems, the poverty of the peasantry, the great social disparity in the rural sector, the low productivity of peasant production and the standard of living and labor on which these impoverished farm masses survived or barely sustained themselves in this society. It could never effect a reform, since reforms or changes in this situation would mean affecting class interests which were being defended at that time by the Somoza apparatus. Nowadays the situation is very different: the Sandinist state is not bound by these minority interests but is determined to defend the interests of the people as a whole and, basically, the interests of the working class.

Where agriculture is concerned, we encounter landholding typical of the capitalist societies, in which the majority of the peasants do not have access to production facilities or the land, credit or technical aid. Then the state apparatus changed and was transformed such as to serve these interests. The INRA, which has as its basic task the resolution of the problems of the peasantry, has established such institutions as the



PROCAMPO, designed to provide technical aid to the peasantry, a body which has grown and multiplied the services provided to the Nicaraguan peasants, with the responsibility of developing more humane and more revolutionary forms of production, such as the collective cooperatives for work linked (by contract) with the state.

Other institutions as well, such as the people's farm enterprises, have been created. They are centralized production complexes in which the farm workers participate ever-increasingly in the management and the economic decisions of the enterprises. A rural section was also created within the National Development Bank (BND) with a view to providing all of the credit aid the peasantry may need to increase production and improve farm living conditions. This shows the new structure of the state apparatus with regard to agriculture.

ANN: What importance does the Sandinist People's Revolution give to collectivization of the land?

Orlando Nunez: With regard to the forms of production, the INRA has assigned great importance to the collectivization of the land. We are attempting thereby to resolve various problems such as the development of class cohesion in the peasantry, since there are isolated workers, with their plots widely separated from the others. Small holdings make application of technology to farm production tremendously difficult, and the scattering of the peasantry on their small plots makes it difficult to respond to collective interests.

Collectivization of the land has economic and political aspects. The economic aspects are concentration of the land, centralizing it in order to be able to increase production, productivity and the use of technology in the production units.

The political goals include rallying the peasant class in collective defense of its interests on a higher level of defense of the interests of the working class, in this case the peasantry.

ANN: How has the Nicaraguan peasantry responded to the collectivization of the land?

Orlando Nunez: In Nicaragua to date, collectivization has been developed by the peasants themselves. Already before the revolution there were many land seizures in Sirama, Tonala, Rancheria, etc. This kind of settlement was, in the majority of cases in Nicaragua, carried out collectively, because this enabled the peasants to defend themselves better against the authorities. This tradition of collective seizure of the land seems to have given the peasants group practice in their activities, and in the period since the revolutionary triumph, we have found great experience, great readiness among the peasantry to accept the collectivization with the

technical, economic and political criteria presented by various sectors, whether it be the INRA authorities, the mass organizations, as in the case of the ATC (Agricultural Workers Association), or the individual peasants who have joined together to sow and work the land collectively.

Collective production involves a more developed step than simple collective seizure. Collective production involves collectivizing credit, productive activities, trade and accumulations. It also means accounting, having alternative models for the various zones and the various products. But here, in the task we have undertaken 100 percent, we have found a very receptive attitude on the part of the peasants themselves, who make a great contribution as to the most viable forms, consistent with the characteristics of the Nicaraguan rural sector.

ANN: If this revolution was waged for the workers, why is leasing land still allowed?

Orlando Nunez: The revolution is not something which can be implemented by decree. The revolution depends on the real potential of the workers' class to take the results of the process in this country in hand. The Nicaraguan Revolutionary Junta has drastically limited the leasing of land, but has not eliminated it. We could not eliminate the leasing of land because there is still private property in the hands of thousands of peasants.

It is not possible to transform these millions of peasants into workers overnight, because there is no work to give them. Also, there is a large volume of production involving large private properties with a management capacity the Sandinist state does not have. However, the Sandinist revolution has indeed taken the step of drastically limiting the leasing of land.

In the case of agroexport farming, land rentals are limited to 300 cordobas, whereas previously there was no limit, and payment ranged up to 3,000 cordobas for the rental of an area of less than 2 acres for the planting of cotton. This eliminates the parasitic sectors in agriculture and this income becomes surplus because of function, more practical and more rational.

In the case of peasant production, the leasing of land was limited to 100 cordobas. There was no limit earlier in the production of basic grains either as to land leasing, and payments ran up to 1,000 cordobas for the rental of less than 2 acres of land. Now the revolution has established a 100-cordoba limit, which lightens the burden on the peasant for the leasing of this production facility--land--and facilitating access to it.

But one of the reasons for leasing land is monopoly, in addition. How then can we lease land?

By also having a monopoly on the land. A vast area of productive land is in the hands of the state, which is making it available to the peasant sectors and this strikes a blow at the leasing monopoly. There are various mechanisms for effecting the leasing of land in progressive fashion in Nicaragua, consistent with the real potential of the revolution.

ANN: What factors led to migration from the rural sector to the cities?

Orlando Nunez: The reason for the migration from the rural sector to the cities was the inability of the peasants to obtain land, credit and services enabling them to establish links with the production factors existing in the rural sector. As the large estate owners and capitalist agroexport advanced, they pushed the peasants off their land and the following phenomenon occurred: the peasants were left without land, and seasonal labor was insufficient to support them all the year. Thus we had vast impoverished, landless masses. A large number of these peasants fled to the cities, attracted by the urban illusion, but they did not find work there either.

ANN: How can the problem of migration be solved then?

Orlando Nunez: First of all, we believe, by providing land, services, technical aid and credit to the peasants, so that they can develop with the rural means of production. We believe that this will limit migration from the rural sector to the cities.

ANN: What are the predominant forms of social production relations on the state farms?

Orlando Nunez: On the state farms, i.e. those which come within the people's ownership sector, the farm enterprises of the people, there are still wage relations. However, what determines an exploiting relationship is not simply wages, but the distribution of surpluses on the one hand, and the degree of participation by the workers on the other. Here the state farms are centralized in complexes and also in people's farm enterprises controlled by the INRA, the goals of which are to obtain surpluses for distribution in a rational fashion throughout Nicaragua. With this measure we are resolving the problem of distributing surpluses. It is no longer simply the traditional businessman earning profits to improve his standard of living or his production, but distribution in democratic and revolutionary fashion of the surpluses produced by these enterprises.

The Sandinist Workers Federation (CST) and the ATC are working to enrich the mechanisms for worker participation in the enterprises on all levels-- in the factory committees, the reactivation assemblies, the program coordination commissions of the Ministry of Planning, in which the workers and peasants participate.

They have been given access to accounting, "the commercial secret," which was one of the foundations of the Somoza system. The mystery is being

cleared up because the organized workers now have access to this famous commercial secret, to the extent that they are able. And because the matter of participation is also a matter of competence, they are joining in increasingly and participating more in the economic and political decisions of these enterprises.

Within the INRA, special commissions are now being established for credit, small production or cooperatives, and the workers and peasants are participating in these commissions along with the INRA authorities. These mechanisms help us to eliminate the old relations of exploitation and to share among the workers what is theirs--the production of the people.

ANN: What steps will you take if the private producers do not decide to plant their land?

Orlando Nunez: The owners of the means of production, whether the crop be sugarcane, tobacco, cotton or others, has been provided with all of the administrative, financial, political, credit and trade facilities needed to make production effective by the revolution, within the national unity policy. In our view production is of vital importance because with material production, we can carry out the promises the revolution made to the Nicaraguan people. The problem of production is also the problem of supplying the needs of the people, and there is an area in which private enterprise can contribute to this production, so necessary at this time. In other words the facilities provided private business are the result of decisions by the revolution, the goal of which is production. Thus very simply the revolution should take drastic steps with regard to the businessmen who do not guarantee production. It is accepted that there will be difficulties, and it is understandable that productivity may not be optimal for many reasons, for example lack of supplies, but not that the heads of enterprises refuse to produce the necessary goods, whether the result be unemployment or a shortage of basic goods, or the earning of foreign exchange abroad for lack of production. In such a case the revolution will have to deal with private businessmen. Obviously, the revolution, because it makes drastic decisions, does not mean to imply that it can administer the enterprises with full efficiency. The revolution is new and has little experience in an underdeveloped country, where there were limited technical cadres and widespread illiteracy. All of this means objective limitations on the efficient management of enterprises. But apart from these limitations, if the private enterprise owners do not plant, the revolution will in some way take over the activities to devote itself to production.

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CBO: 3010



NEW WORKER TRAINING INSTITUTE, PORT ENTERPRISE ANNOUNCED

PA132215 Managua Sistema Sandinista de Television Network in Spanish  
0200 GMT 13 May 80

[Text] Two decrees providing for establishment of a national workers training system (Sistema Nacional de Capacitacion de los Trabajadores--SNCT) and the National Port Enterprise--which will be attached to the Transportation Ministry--were announced by Companero Moises Hassan Morales, member of the junta of the government of national reconstruction.

[Begin Hassan recording] Recognizing that a large number of our workers now holding jobs have learned their trade on the job without any formal training, the junta has decided to create a national workers training system (fundamentally aimed at) training workers on the job. It will be a technical unit attached to the Labor Ministry.

The general policy of this unit will be fixed by a national council with representatives of the various government and labor sectors. We can mention among others the Labor Ministry, which will administer it through the labor minister, and the Planning Ministry. Of course the Education Ministry as closely related to it, will also be part of the council. There will be worker representatives, too.

This worker training system will have a national directorate, which will implement the policies charted by the national council. It should be noted that this training will be given absolutely free to all workers above 14 years of age. Also bearing in mind the needs and objective realities, the modalities of this education will include fixed centers at specific places and mobile centers which will travel as appropriate to fulfill their mission.

We also want to announce the creation of the National Port Enterprise, which will be a decentralized body. It will have administrative autonomy and will be attached (adscrito) to the Transportation Ministry.

Overall policy for the development of ports will be charted by a management council. This council will be composed of the Transportation



Ministry and other ministries connected with port activities in Nicaragua, such as the interior and foreign trade ministries and the Planning Ministry. Customs brokers, users and stevedores of each of the country's ports will also be represented on the management council.  
(end recording)

CBO: 3010

MIAMI HOSPITAL TO SUE GOVERNMENT FOR COSTS

PA132251 Managua Sistema Sandinista Television Network in Spanish 0200 GMT  
13 May 80

[Text] Nicaragua won't pay a penny to the American Hospital of Miami, which is absurdly trying to wring payment out of the reconstruction government for hospital services provided to former national guardsmen, Dr Carlos Arguello, deputy justice minister, has stated. It has been reported that the hospital is owned by several Somozists and by Cuban Pedro Ramos, one of the masterminds of Pedro Joaquin Chamorro Cardenal's assassination.

[Begin Arguello recording] We have received the news from our ambassador in Washington, Rafael Solis, who sent us copies of the legal papers officially notifying the Nicaraguan Government that a Miami hospital treated 22 former national guardsmen for wounds and that it is filing suit against the Nicaraguan Government for payment of hospital services. The International Department of the Justice Ministry is analysing the papers and it will contact a law firm in Miami so they can find out what U.S. law is on this case. Since U.S. law would prevail because the intention is to sue our government under that law, we have to discuss our position with U.S. lawyers. Therefore we will not have a complete legal analysis of the matter until we have an answer from them. We have to find out why the government has been sued.

[Question] In addition to the government of national reconstruction [words indistinct]?

[Answer] In addition to the government, the 22 guardsmen treated are also being sued, as well as a Somoza firm which according to the charges was not a private firm but a Nicaraguan Government agency. The suit will try to prove that a corporation set up by Somoza in the United States represented the Nicaraguan Government. [end recording]

GOVERNMENT ASKED TO HELP SETTLE 'LA PRENSA' LABOR DISPUTE

PA080129 Managua Radio Mundial in Spanish 1900 GMT 7 May 80

[Official communique released in Managua by the executive board of the newspaper LA PRENSA dated 7 May]

[Text] 1. The strike staged by a group of LA PRENSA unionists was not triggered by any noncompliance, venation or default on the part of management as concerns the labor laws and the social benefits it has always paid to the best of its ability. The strike and the illegal takeover of the workshop were carried out following a political rather than labor directive, pretext or motivation.

2. Since they stopped working for LA PRENSA of their own free will in order to work for another paper, those workers have no other legal recourse but to take their claims to a labor court. There is no room for a conciliation board in this case because its function is to conciliate the interests of the workers and management but not the interests of workers who have willingly left a firm to establish a competitive firm.

3. Since these workers have announced that they are leaving to establish a new paper and their labor claims give them no right to illegally occupy LA PRENSA's workshop and offices, we want the authorities to know that this abusive situation makes the LA PRENSA situation an issue of public order because the workers who have decided to stay with LA PRENSA cannot do their job. This is an outright violation of the legitimate property rights of a fully productive firm and an obstruction of the publication of the paper in a serious attack on freedom of expression. Therefore we request immediate protection from the authorities, and as an initial step toward settling the dispute, the workshop and offices will be returned after an inventory is taken and the assurance given that the paper's workers can work.

Finally, we strongly protest to the Nicaraguan people and the world the aforementioned anomalies which are all the more harmful because they have been committed against a newspaper which has been instrumental to the revolutionary process. It was an unstinting contributor to the struggle

against the dictatorship at the cost of the life of its publisher and the complete destruction of its offices. It has also been a banner of unity, justice and freedom before and after the revolutionary victory.

[Signed] Jaime Chamorro C., Don Carlos (Holden Thompson), Pedro J. Chamorro B., Dona Anita C. de (Holman)

C50: 3010

OFFICIAL DISCUSSES CASE OF CAPTURED FISHING BOAT

PA092126 Managua Sistema Sandinista Television Network in Spanish 0200 GMT  
9 May 80

[Text] The fishing boat taken into custody in the port of Bluff and presumably used for smuggling drugs, was owned by a Cuban named Frank Oliver, who resides in Miami.

Here is Roberto Sanchez, official in charge of public relations of the Sandinist People's Army:

[Begin recording] We wish to clarify a report released today regarding the alleged capture of a fishing boat loaded with drugs which is now in the port of Bluff. That information is not correct. The facts are that on Saturday during an inspection by Companero Eduardo Contreras at the port of Bluff the fishing boat (Jaime Laid) was found to have a strong odor of marihuana in its hold.

The companeros decided to investigate and it was learned that on 10 February the boat had requested assistance because it was considerably off course. It is normal in such cases to grant aid and the boat entered the port with two crewmen, Nathan Green and (Tom Newell Williams). The two men later left the country.

We have also learned that the owner of this fishing boat is a Cuban named Frank Oliver, who resides in Miami.

Therefore, on the basis of this information and seeing that--although no drugs were found in the boat, it would seem that the boat had carried drugs, which were transferred to another boat, probably one which gave it assistance near [word indistinct] Key--army headquarters decided to investigate, because we believe that the available evidence makes it apparent that this boat is tied to a large-scale drug smuggling ring spread over the area of Grand Cayman, Jamaica and San Andres and also has contacts in Miami. All this demonstrates that those who direct these drug smuggling operations, utilizing our countries, are Cubans based in Miami with the support of Jamaican sailors.

This is the information available to us and we wish to emphasize that there were no drugs on the boat. [end recording]



## BRIEFS

ENTRY INTO ASIN ANNOUNCED--Mexico City, 10 May (NOTIMEX)--Nicaragua yesterday announced its entry into the official media systems action (ASIN) in order to break the informative isolation being experienced by many Latin American nations. Manuel Spinoza, the Nicaraguan representative, told NOTIMEX that Nicaragua joined ASIN because it was one of their goals and because it is part of the struggle for the liberation of the people, as there can be no free journalism without free nations. Therefore, the junta of the government of national reconstruction considered that ASIN guarantees regional communication. In addition, this communication media will allow for the social advancement and progress of Latin American people. Spinoza noted that Nicaragua, just like many other nations on the continent, has been a victim of manipulation and informative blockade. The international news agencies speak of the crisis of the Nicaraguan people or the problems that a revolution always faces, however, they do not report on the advances and the economic, political and social achievements that it truly has made. [Text] [PA111405 Rome IPS in Spanish 1655 GMT 10 May 80]

ORTEGA ON ANTI-NICARAGUAN CAMPAIGN--Our people know how to respond to the campaign that seeks to discredit our revolutionary process. Here is Revolutionary Commander Daniel Ortega at a news conference held this morning by the national reconstruction junta at the government house. [Begin recording] The purpose of this campaign is to see that countries in Latin America or other parts of the world that are helping Nicaragua, or even the international organizations that are providing credits to our country, delay these credits or even deny them and that the countries which are helping Nicaragua be motivated to stop doing so. It is a criminal campaign pointed against the nation and against the people. Naturally, those who promote these campaigns expect the people to get angry at the government and to protest against the vanguard; they expect them to blame the government and the vanguard for all the economic difficulties and all the limitations which occur. They do not realize, however, that our people understand and are becoming more conscientious and the reply given by our people on 1 May is the best reply that we could give to those campaigns of slander and lies. [end recording] [Text] [PA061610 Managua Domestic Service in Spanish 0330 GMT 6 May 80]

STUDENTS OPPOSE FORMER U.S. GOVERNOR PARFITT'S VISIT

PA131613 Panama City MATUTINO in Spanish 12 May 80 pp 1-A, 8-A

[Communique of the Federation of Panamanian Students on the visit to Panama of Harold Parfitt, former governor of the U.S. Canal Zone; issued in Panama City on 11 May--passages within slantlines published in uppercase]

[Text] /Against Mr Parfitt's Visit to Panama/

It has been with profound indignation that we have received the news that Mr Harold Parfitt will arrive in our country in a matter of hours for the purpose of receiving a homage that the Zonians, the U.S. community in the canal area, will pay him on 13 May, Tuesday.

There is much indignation because during the homage, a bust representing the august head of Mr Parfitt will be unveiled to honor, according to them, the greatest protector the Zonians ever had in the history of the enclave imposed by the United States in the heart of our fatherland.

As if this were not enough, the bust will be placed in the oval space of the administration building where the Panama Canal's joint authorities function, in an installation that in line with the new agreements eventually will pass to Panama.

/Who Is Mr Parfitt?/

Mr Parfitt always acted as one of Panama's most bitter enemies. Our people will never forget that it was Mr Parfitt who in January 1964, as vice governor of the Canal Zone, and in the absence of Governor Fleming, ordered, jointly with General O'Meara, the shooting against the Panamanian people when our students peacefully and orderly entered [the Canal Zone] to satisfy their legitimate right to see our flag hoisted in that part of the national territory. Mr Parfitt was the last /governor of what/ [an expression used by General Torrijos to describe the governorship] and up to the last minute he conspired in the U.S. Senate and Congress and organized the Zonians in their opposition to the negotiations and he plotted against the signing of the Torrijos-Carter treaties. Even now he is trying to sabotage the correct

implementation of those treaties to keep our people from receiving the benefits to which they are entitled.

/What Is the Reason for Parfitt's Insolence?/

How does Mr Parfitt dare come to Panama? Does he think that our people have forgotten that he was the one who gave the order to shoot and kill Ascanio Arosemena and the 22 Panamanians who fell defending the fatherland's dignity?

Does he perhaps believe that we have forgotten the Yankee tanks and their threatening imperious nature in our territory? Does he think we have forgotten that he plotted and still plots to impede strict compliance with what has been agreed upon? Does he think we ignore that he instructed the Zonians to systematically sabotage the treaties' implementation to obstruct the return of all the lands and properties in the canal area? What is the meaning of the imposition of a bust of a declared enemy of Panama in a building that will pass to our control? Is the Panamanian Government aware of all this being plotted against our national dignity?

/Mr Parfitt's Bust: An Obvious Provocation/

It is obvious that this action by the Zonians and by Mr Parfitt represents an open provocation to the nation's dignity, an obvious insult to the blood spilled by our martyrs, a dangerous insolence that goes against the tolerance of a people who knew how to sacrifice for too many years many of their demands to secure treaties that would initiate the end of the colonial enclave. Why didn't this homage take place in the United States? Why wasn't this bust erected anywhere in the United States instead of being offensively erected in Panama? Why have they chosen the moment when the noncompliance with the Torrijos-Carter treaties by the United States is beginning to become intolerable and the national government does not duly inform the Panamanian people?

/The Federation of Panamanian Students [FEP] Condemns the Presence of Parfitt in Panama/

Our glorious FEP repudiates the presence of Mr Parfitt in our country. Mr Parfitt is a declared enemy of the Panamanian people and FEP denounces the unveiling of a bust in his "honor" as a provocation directed at wounding the nation's dignity and the memory of those who fell for a totally free and sovereign fatherland.

FEP condemns the visit by Mr Parfitt and cautions that it will not tolerate this provocation and that as long as he remains in our territory he will be treated as a declared enemy of our fatherland.

/In the face of imperialism and its internal allies, the struggle will be long and continuous/

/FEP is on the march/

[Signed] Federal Executive Council of FEP

COMMUNIST PEOPLE'S PARTY CONGRATULATED ON 50TH ANNIVERSARY

Greetings From CPSU CC

PA121404 Panama City UNIDAD in Spanish Apr 80 p 8

[Message by CPSU Central Committee to the People's Party of Panama Central Committee on occasion of its 50th anniversary--special undated anniversary issue]

[Text] People's Party Central Committee

Dear comrades:

The CPSU Central Committee warmly congratulates Panamanian communists on the occasion of the 50th anniversary of the foundation of the Communist Party of Panama.

From the moment it was founded, the Communist Party played an active role in the people's movement toward the country's liberation from U.S. imperialism and the local oligarchy's domination. This party has proven to be a stoic struggler for the working class and Panamanian people's interests; for strengthening the country's independence and to make possible the deep socio-economic changes.

During the sixth congress held in February 1980, the party proved its authority among the workers and patriotic forces in Panama.

The congress also stressed "the need to mobilize the masses to make new advances in the anti-imperialist struggle and to increase the democratic changes in the country." The Panamanian communists are consistent internationalists, who support the unity of the international communist movement on the basis of principles and the nation's struggle for national liberation.

The communists of the USSR evaluate very highly your efforts to strengthen the friendship between the People's Party of Panama and the CPSU and the people of Panama and USSR.



Dear comrades, we wish you new success in your struggle.

Long live Marxism-Leninism.

CPSU Central Committee.

#### Cuban Communists' Message

PA121404 Panama City UNIDAD in Spanish Apr 80 p 8

[Message by the Communist Party of Cuba Central Committee to People's Party of Panama Central Committee on occasion of its 50th anniversary--special undated anniversary issue]

[Text] A new way of struggle emerged in Panama with the foundation of the Communist Party on 4 April 1930, against the exploitation of man by man and for the liberation and sovereignty over the Canal Zone in the hands of U.S. imperialism. Inspired by Marxism-Leninism and the international proletariat, the Panamanian communists in their struggle have suffered in their own flesh persecution, repression and abuses against their members just for opposing imperialist exploitation and for expressing their views regarding freedom and sovereignty and for trying to give the people the ideological weapons inherited from Marx, Engels and Lenin, the founders of the communist doctrine.

The party was outlawed for many years and not until General Torrijos made the political changes in the country, was it possible for the party to hold its first legally authorized congress in Panama.

The sixth congress of the People's Party of Panama (PPP) is an important step taken by the party's leadership in these moments and the work it must carry out in order to meet its agreements encourages the Panamanian communists to promote socialist ideas and proletarian internationalism.

Today, on the 50th anniversary of the party of Panamanian communists, the Communist Party of Cuba expresses its fraternal and solidaristic greetings on the occasion of its anniversary.

The Panamanian communists will be present in the struggle against the reaction and imperialism at a time when they have unleashed cold war campaigns threatening detente and world peace.

Long live the glorious ideas of Marxism-Leninism;

Long live the People's Party of Panama;

Long live proletarian internationalism;

The Communist Party of Cuba Central Committee.



PAPER OUTLINES COMMUNIST PARTY'S ACHIEVEMENTS

PA111614 Panama City UNIDAD in Spanish Special Edition Apr 80 p 2

[Editorial: "Communism's Golden Wedding Anniversary in Panama"]

[Text] The Communist Party was founded in Panama City on 4 April 1930. This event has had many repercussions in our country's social and political life. The fact that the party's 30th anniversary can be commemorated in the country and that it is no longer a crime to be a communist is evidence of this.

The Communist Party of Panama was born as an answer from the most advanced sectors of the working class and progressive intellectuals of the state of the social decomposition provoked by internal and external factors such as the influence of the Great October socialist revolution in Russia, the economic crisis of capitalism from 1929 to 1932 and the crisis of Panamanian liberalism.

Independent from the fact that during the first decades communism did not prepare a political line sufficiently adequate for the specific historic conditions of the Panamanian society, communism deserves merit for its contributions to the publication and defense of the ideas of historic materialism such as the scientific conception of the working class for the revolutionary transformation of society.

One of the factors that obstructed its work was, first of all, the continuous and furious harassment to which the pioneers of communism were subjected by the oligarchy and imperialism.

Its efforts were also affected by situations of a moral and psychological nature that degenerated into profound internal conflicts. Secretary General Comrade Ruben Dario Sousa referring to this aspect during the opening of our party's Central Committee meeting to analyse the 30 years of struggle, stated: "What cost the old Communist Party its existence was the fact that it did not make good use of criticism, and criticism was used in such a manner that it slowly led to the party's destruction."

However, a new generation of communists continued the work initiated by those men who dared raise for the first time the banner of communism in Panama. Today, after several decades of tenacious struggle, the party of the Panamanian communists continues holding that banner but now with more clear and specific projections.

Early this year, our party held its sixth national congress. This congress made it evident that Panamanian communism has become sufficiently mature. The congress established the strategic and tactical guidelines for the new conditions. The essence of the guidelines is to continue the struggle for the creation of a democratic and national liberation front that should include all the political forces that favor a deepening of the social and economic changes initiated with the revolutionary action of the national guard on 11 October 1968.

This is the new prospect that can be seen today after 30 years of efforts that have resulted, to a certain degree, in a new level of organization and awareness in the workers and peasants class and among professionals and other middle class sectors. These efforts have also resulted in valuable achievements, the most outstanding being the end of colonialism in the Canal Zone and the new state structure that has the national guard and popular power as its cornerstone.

We have advanced, the struggle goes on.

CSO: 3010

**NEWSPAPER REJECTS PEASANTS' INVASION OF PRIVATE LANDS**

PA091523 Panama City LA ESTRELLA DE PANAMA in Spanish 7 May 80 p A-4

[Editorial: "Land Invasions, No!"]

[Text] A few days ago in Chiriqui Province, specifically in San Lorenzo district, a group of peasants invaded a private ranch under the mere pretext, according to them, of calling the central government's attention to the nonfulfillment of an old promise it had made regarding the distribution of land. The problem was quickly solved by the provincial authorities but it caused alarm in Chiriqui and the entire country since in Panama we do not have a history of these kinds of arbitrary actions that harm private property and the basic principles of our republican and democratic tradition.

The aforementioned invasion of private lands has led to much discussion by the country's agricultural sectors and organizations so that these actions will not be repeated. Therefore, it is evident that an investigation must be undertaken on whether or not there is Marxist infiltration in those organizations that are in direct contact with the country's rural areas and can therefore do much harm in leading the peasants.

It is very healthy for Panamanian democracy that this be investigated because communism is like a type of destructive larva that usually infiltrates through the softest, most ignorant and poor areas to silently undermine private production, democracy, nationality, law and freedom.

We have to teach the peasants that all the demagoguery of the communists regarding land is a lie and a trap. Clear proof of this is that in the Marxist-Leninist countries no peasant owns anything and the land only belongs to the state and the dictatorial clique that holds power. The peasants in those countries are slaves like oxen and mules and only work from sunrise to sunset to fill the coffers of communism and the bellies of their masters. On the other hand, in a democratic system the agrarian reform laws have given land to millions of human beings and not only land but credits, technical assistance, and tools and machinery to work the land. We have examples of this in Panama. These laws have been issued by all governments to raise the economic and social levels of the peasants.

No one wants land invasions, conflicts with the peasants or measures that will bring agitation and sorrow to our rural areas. On the contrary, we all want social justice through an honest, effective and democratic agrarian reform. This will benefit the rural families which have the right to their own plots of land to produce and subsist.

But our agrarian reform must always be Panamanian and never inspired by models of Havana or Moscow.

CSO: 3010

END

**SELECTIVE LIST OF JPRS SERIAL REPORTS**

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WORLDWIDE REPORT: Epidemiology  
WORLDWIDE REPORT: Law of the Sea  
WORLDWIDE REPORT: Nuclear Development and Proliferation  
WORLDWIDE REPORT: Telecommunications Policy, Research and Development



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